



IT'S NOT AN OPTION,  
IT'S NOT A LEGAL OBLIGATION,  
IT'S NOT A PRESS RELEASE.  
IT IS A PASSION.



TO RESPECT OUR PLANET,  
TO INSPIRE OUR GUESTS,  
TO PROTECT OUR COMMUNITIES.



PUSHING BOUNDARIES,  
INVENTING NEW PATHS,  
GOING ABOVE AND BEYOND WHAT  
OUR WORLD KNOWS,  
WE ARE CHANGING THE GAME,  
NOW.

SUSTAINABILITY & CSR REPORT  
MELCO RESORTS & ENTERTAINMENT LIMITED

**2018**











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.....  
A B O V E   &   B E Y O N D

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# ABOUT THIS REPORT

## 01

◆ ABOVE & BEYOND

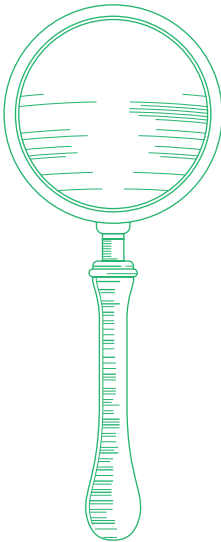
We are excited to launch ‘Above & Beyond,’ our new Sustainability & Corporate Social Responsibility (CSR) strategy in this report.

Above & Beyond sets ambitious goals and increases our transparency on the environmental, social, and governance (ESG) topics that are central to our business. We plan to issue annual updates to share how we are improving on our key performance indicators.

This report has been prepared in accordance with the principles and disclosures of the Global Reporting Initiative (GRI) Standards: Core Option. The GRI Standards are the most widely-used sustainability reporting framework in the world today.

This report covers our priority ESG topics for all entities covered in our financial statements, including our resort facilities in Macau and Manila, Philippines. The highlights and metrics shared in the report cover the 2018 calendar year and we provide multi-year data where relevant. Financial information, unless otherwise stated, is presented in U.S. dollars.

We welcome your feedback on this report, our sustainability and CSR strategy and our goals. Please email: [sustainability@melco-resorts.com](mailto:sustainability@melco-resorts.com) with your comments.





◆ MELCO ◆

02

◆  
**MESSAGE**  
..... FROM .....  
**OUR CEO**  
◆



LAWRENCE HO





LAWRENCE HO

*Chairman and CEO*

## A MESSAGE *from* OUR CEO

It wasn't so long ago that in polite society, children were supposed to be seen and not heard. Thankfully though, we're now not only listening to and learning from them, we're finally taking responsibility for the world that they'll inherit from us. Because it is they who will have to deal with the consequences of so many of our and our predecessors' actions.

Whilst there is ample legislation, guidelines, and standards governing every aspect of our corporate activity, it's often the opinions and desires of my daughter that best represent the guiding light for my thinking and actions. I find myself asking "what would she think" of how we are tackling issues such as climate change, pollution, responsible gaming, or support for the community around us? Are we acting in a way that would make her proud of our integrity and intent?

As the only major integrated resort operator to be a 21st century company, Melco was founded in 2004, and one of the things that has always set us apart is the depth to which we care about our impact on the world we all share. On the surface, we exist to pamper and entertain our guests, and we lead the world in that. Yet as a multinational company of more than 20,000 individuals, we have a responsibility that runs much deeper.

Every one of us must play our part in tackling the big challenges present and future generations face. And this requires us to rethink some of the most basic aspects of how our industry works.

Over the past year we have been building a more detailed, data-driven understanding of our impact, and we are harnessing these findings, alongside our many programs and targets, in a new strategy that will further unlock Melco's huge capability as a force for good.

We are calling this shift in thinking and approach, 'Above & Beyond.' Quite simply, it captures my personal commitment to embrace sustainability as a powerful engine for growth and a catalyser for change. At the heart lie four goals that will shape our work in years to come.

Our resorts will be carbon neutral.

We will take the lead on tackling plastic waste in Macau, and beyond.

Through the power of entertainment, we will inspire positive change.

And we should continue to be a great community partner, and employer of choice.

Since the start we've been game-changers, whose focus is on bringing the future into the lives of our guests, today. 'Above & Beyond' is our commitment to making it sustainable, positive and rewarding for all of those involved.

CHAIRMAN AND CEO



03



OUR  
.....  
APPROACH

OUR GOALS  
.....  
FOR 2030



♦ OUR FOCUS AREAS ♦  
.....



# OUR VISION: ABOVE & BEYOND

## 03

- To achieve our vision, we are bringing together our social and environmental achievements and ambitions in a new strategy we call Above & Beyond.

Doing well by doing good in the places our guests, colleagues and other stakeholders live, work and play has always been central to our business philosophy. Our vision is to change the game in our industry and in the places we operate, by bringing the power of innovation, entertainment and play to some of the challenges that face the world in the 21st century.

To achieve our vision, we are bringing together our social and environmental achievements and ambitions in a new strategy we call Above & Beyond that will guide our actions to 2030. Above & Beyond sets new goals, including eliminating the impact of our resorts on the climate by 2030, and taking a lead on circular economy approaches to the global push to clean up plastic waste. It also further commits us to ensuring we are the best community partner, and foster a best-in-class place to work. Through these actions, it will help inspire our guests to realize that a sustainable future is a better future. Above & Beyond will accelerate our Sustainability & CSR program across the board so that Melco becomes a benchmark for our industry and beyond.







### OUR GOALS FOR 2030

*Above & Beyond sets out our ambitions under four goals:*

- **Inspiring our guests by showing them a sustainable future is a better future:**

Our guests arrive at Melco resorts expecting to be entertained and to experience best-in-class luxury. Our goal is to ensure sustainability enhances that experience, through our dedication to inspirational innovation.

- **Being the best partner and best place to work:**

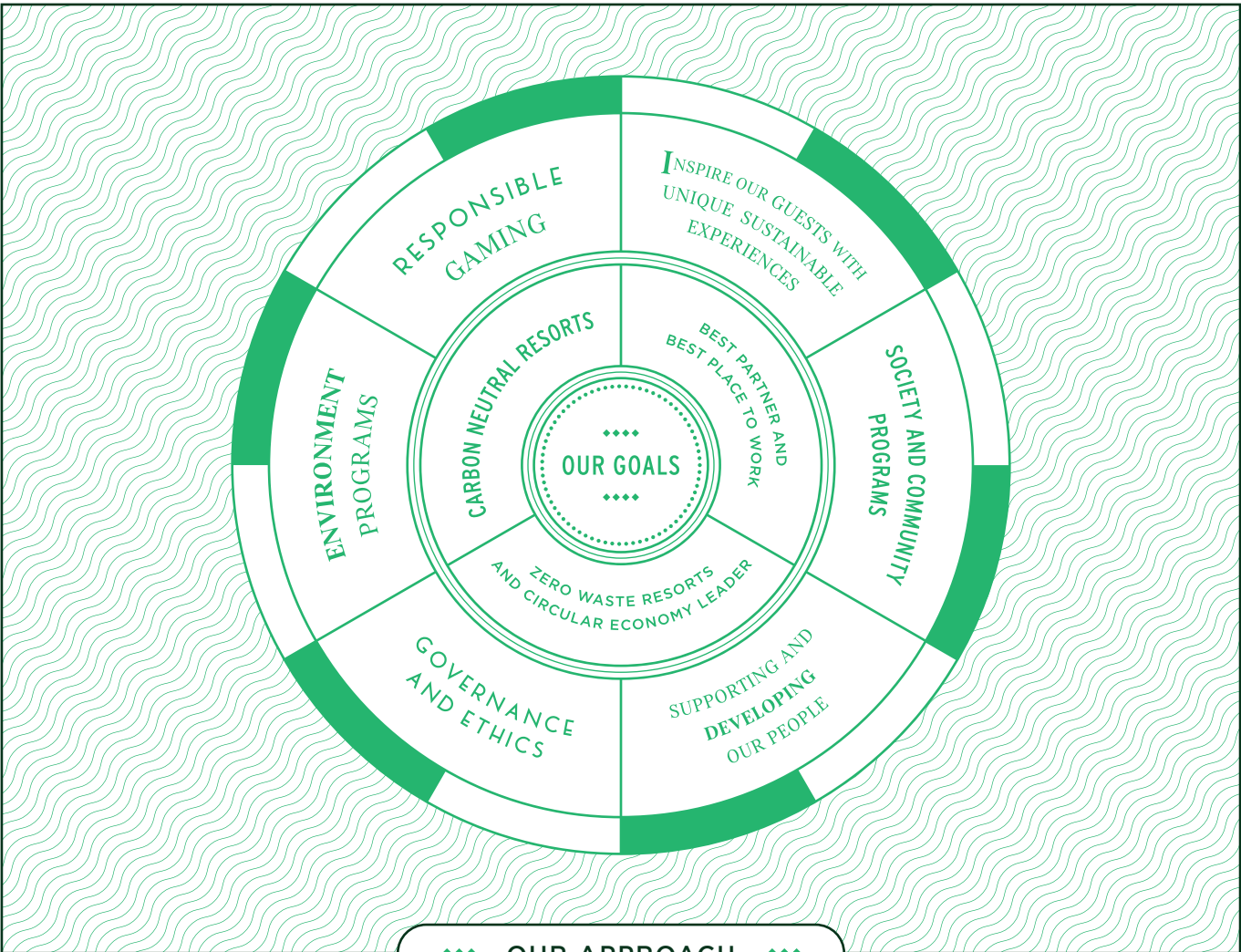
Ensuring that Melco is an employer of choice and a force for good in the community lies at the heart of our philosophy. The same focus will drive us to be the best partner and place to work.

- **Achieving carbon neutral resorts:**

Tackling climate change is a top priority, so we set the goal of achieving carbon neutrality in our operations. We have implemented reduction targets across a range of emission sources to achieve our goal.

- **Achieving zero waste across our resorts and contributing to circular economy leadership in Asia:**

We will work to eliminate waste in our operations through reducing the use of materials, reusing or recycling waste that otherwise would be sent to landfill, and exploring options for energy recovery. We will also pursue waste management initiatives that support the circular economy around all our resorts in Asia.



### OUR APPROACH

#### SOCIETY AND COMMUNITY PROGRAMS:

Societal and community issues are built into business strategy and drive partnerships and collaboration on a wide range of community projects. Philanthropy and volunteering are also a big part of how we support communities where we operate.

#### SUPPORTING AND DEVELOPING OUR PEOPLE:

People and culture drive success, so we create a culture of excellence by hiring for potential and investing in training. We compete for the best on reputation, career opportunities, and a great working environment, always alming to be employer of choice.

#### GOVERNANCE AND ETHICS:

We have steering committees for responsible gaming, environmental sustainability and CSR with active participation from Chairman & CEO, Lawrence Ho. We track emerging issues through our materiality process, and drive behaviour with our Code of Business Conduct and Ethics.

#### ENVIRONMENTAL INITIATIVES:

Taking care of our environmental impacts means an ambitious program on renewable energy, and a growing focus on materials, waste, water, and sustainable procurement.

#### RESPONSIBLE GAMING:

Our award-winning work on responsible gaming includes industry - leading technology, comprehensive training programs, cooperation with regulators, and commitment from the very top.



OUR FOCUS AREAS

We will deliver our goals by continuing to build on our Sustainability & CSR program, through five focus areas which also form the main sections of this report.

ENVIRONMENT PROGRAMS

Melco’s environment programs have won multiple awards – including the prestigious Green Key Awards in 2018 for Morpheus, Nüwa, The Countdown at City of Dreams and Studio City Hotel, and the Asian Excellence Award for best environmental responsibility each year from 2013–16. These awards recognize achievements we are proud of, from installing Macau’s largest onsite solar photovoltaic array, to sourcing 100% of our electricity from renewables in 2018, to using decomposer technology at City of Dreams, which handle 200 kg of food waste daily.

Our pioneering investments in renewable energy are the centerpiece of our plan to achieve carbon neutral resorts. As well as solar arrays, we are investing in electric vehicles and energy efficiency measures in a comprehensive roadmap to become carbon neutral by 2030.

We are the first and only hospitality group and integrated resort operator globally to join the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation in collaboration with UN Environment.

Given the significant environmental impact plastics pose, we plan to phase out all single-use plastic bottles, plastic straws and plastics in our amenity packs and send no plastic to landfill from any of our resorts by 2030. Our waste practices are being overhauled to achieve zero waste - by sending no waste to landfill with a focus on reducing, reusing and recycling or not incinerating waste without energy recovery - by 2030.

We are also strengthening our sustainable sourcing efforts by tackling high impact procurement categories, such as cotton, chemicals, and seafood. You can read about these and other commitments we have made in the [Environment section](#).

*“The New Plastics Economy Global Commitment unites businesses, governments and others behind a clear vision of a circular economy for plastic. We are pleased Melco Resorts and Entertainment as the first hospitality group and integrated resort is joining us, by setting concrete 2025 targets. Our vision is for a world where plastic never becomes waste or pollution. It will be a challenging journey, but by coming together we can eliminate the plastics we don’t need and innovate, so the plastics we do need can be safely and easily circulated – keeping them in the economy and out of the environment.”*

*Sander Defruyt, Lead of the New Plastics Economy initiative at the Ellen MacArthur Foundation*

SUPPORTING AND DEVELOPING OUR COLLEAGUES

Our outstanding culture of service depends on the passionate commitment of our 21,000 colleagues. Attracting and retaining the best people means building a great employer brand. We pride ourselves on providing career opportunities and a positive working environment where people feel valued, cared for and are recognized for performance. Building the right team means recruiting for attitude and potential and then investing in skills through a wide range of programs focused on personal and professional development. The workplace itself really matters, so we invest in “Heart of House” best-in-class amenities including onsite medical clinics and healthy food available around the clock.

A recent global survey by Willis Towers Watson showed that our colleagues like it here—with 80% telling us they are proud of where they work. Our long-term vision is to offer professional and educational programs for all our colleagues. We established Macau’s first in-house Learning Academy in 2009, and we are partnering with international and local educational institutions to ensure our colleagues earn recognized credits, diplomas, and certificates. Learn about our work supporting and developing the Melco team in the [People section](#).







## TYPHOON HATO

Volunteering

## SOCIETY AND COMMUNITY PROGRAMS

Society and community issues are built into Melco's business strategy, and are also the focus of partnerships and collaboration with government, charities, educational institutions, and community organizations. The culture and heritage of our host communities are part of what makes a resort special, and we work hard to ensure we are welcomed as a committed community partner. Whether it is innovative projects to promote culture and heritage, programs that support women, investments in local infrastructure, or the young people who have been inspired by the world's best through our Dare to Dream program, Melco takes its responsibilities seriously and is working for the long-term benefit of all. The same values inspire our colleagues to give their time to good causes, and we are very proud of the high level engagement of our colleagues in CSR activities.



Melco helps local suppliers and SMEs to succeed. We partner with them to help them understand our expectations through activities such as Vendor Experience Tours, our standards, Business Matching Sessions, ISO and other workshops. Through better understanding of our specific needs, they are able to be a better provider of products and services.

We also support where we are needed most, such as the investments we made following the natural disasters affecting

Japan, Macau and Manila. One example is the 2,500 Morpheus construction workers that we reassigned to join government-led efforts to restore the city's most affected areas following Typhoon Hato in 2017. More detail on the many programs we support are outlined in the [Society & Community section](#).

## GOVERNANCE AND ETHICS

Our industry is in the spotlight for some stakeholders when it comes to governance and ethical considerations, and so our program must go well beyond simple compliance. Governance arrangements set the tone. We have steering committees for CSR (led by our Chief Officer for HR/CSR), for Environmental Sustainability (led by our Chief Sustainability Officer) and for responsible gaming led by Chairman and CEO, Lawrence Ho, who takes overall lead for governance of CSR on the Melco board. We keep an eye on emerging and current issues through our materiality process, and set the standard for colleagues' behaviour with our [Code of Business Conduct](#). Read more about our programs on anti-corruption and data privacy and security in the [Governance & Ethics section](#).

## RESPONSIBLE GAMING

To help our guests manage their gaming we responsibly provide safeguards and support to those who need help. We train all colleagues to identify and manage problem gambling, and raise awareness of potential issues with guests and the wider community. We have over 300 responsible gaming ambassadors, and more than 65,000 colleague participants have taken part in responsible gaming activities since 2009. Alongside our use of innovative technology to restrict access, these programs explain why Melco was named Socially Responsible Operator of the Year at the 12th International Gaming Awards in February 2019. Read more about our industry-leading work on responsible gaming, which is led personally by our Chairman and CEO Lawrence Ho in the [Responsible Gaming section](#).



♦ WATER ♦



ACHIEVING ZERO WASTE  
RESORTS AND CONTRIBUTING  
TO CIRCULAR  
ECONOMY LEADERSHIP IN ASIA

GOVERNANCE



ENVIRONMENT



CARBON  
.....  
NEUTRAL RESORTS

SUSTAINABLE  
.....  
SOURCING



# ENVIRONMENT

## 04

◆ ABOVE & BEYOND

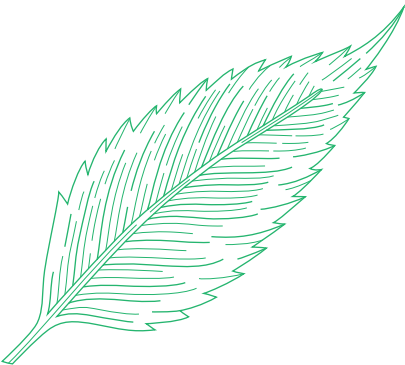
- “The ambitious new environmental goals we have launched will continue to focus our efforts and catalyse our progress.”

DENISE CHEN, SENIOR VICE PRESIDENT,  
CHIEF SUSTAINABILITY OFFICER

We are harnessing the power of play to create a more sustainable future for our children and the planet. Providing our guests new experiences in luxury, and entertainment that also protect the environment is a top priority. That is why we have set ambitious environmental goals for 2030 focused on:

- Building and operating carbon neutral resorts;
- Achieving zero waste across our resorts and contributing to the circular economy in Asia; and
- Extending our positive impact by sourcing sustainable goods and services.

Through these goals, we will show that a sustainable future is the only future and inspire others to do the same. We can only achieve these goals by inspiring our colleagues, partners, vendors, and guests to collaborate with us on our vision for the future, and acting with passion, conviction and the relentless ambition that our company is built on.





GOVERNANCE

Our Chairman and CEO Lawrence Ho leads by example with active participation in our Executive Sustainability Committee meetings. This committee sets our priorities, constantly drives our ambition, and is responsible for establishing the necessary governance, policies, funding and reporting arrangements we need across the business. It is chaired by our Chief Sustainability Officer and supported by our Chairman and CEO, Property Presidents, and Executive Vice Presidents of several corporate and business Departments who are active members of the Committee.

*The Committee is supported by three Working Groups centered around our environmental goals: Carbon Neutral, Zero Waste and Sustainable Sourcing. These working groups identify and assess best practices, help prioritize projects across properties, and measure and verify performance. The working groups help our properties plan and implement the goals set by the Committee.*

|                    |                                 |                            |                                       |
|--------------------|---------------------------------|----------------------------|---------------------------------------|
| EXECUTIVE SPONSOR  | CHAIRMAN & CEO                  |                            |                                       |
| EXECUTIVE CHAMPION | CHIEF SUSTAINABILITY OFFICER    |                            |                                       |
| COMMITTEE MEMBERS  | CHIEF FINANCIAL OFFICER         | EVP, CHIEF OFFICER, HR/CSR | EVP, DESIGN & CONSTRUCTION            |
|                    | CHIEF MARKETING & BRAND OFFICER | EVP HOTELS & F&B           | SVP, CHIEF GOVERNMENT AFFAIRS OFFICER |
|                    | ALL PROPERTY PRESIDENTS         |                            |                                       |

VERMICOMPOSTING AT CITY OF DREAMS MANILA



ENGAGING OUR COLLEAGUES

Reaching our goals is a team effort. We have implemented a network of Sustainability Champions to encourage colleagues to engage in environmental programs, identify opportunities and build sustainability from the ground up.

New colleagues are introduced to our sustainability approach as part of their general induction, called the Melco Orientation. The Melco Orientation covers our sustainability initiatives, which can range from innovative installations to simple ways to save environmental resources. We want their ideas, and to encourage them to identify ways they can improve sustainability at work and at home.

Through our ongoing ‘Sustainability Thoughts’ initiative, facts, trivia and suggestions are regularly shared with colleagues using email, discussion boards and shift briefings. Colleagues also promote environmental awareness by collaborating with community organisations to plant trees, clean coastal areas, and conduct donation and targeted recycling campaigns.



RECOGNITION

To continue to improve, we need to look to industry and global best practice. Four of our hotels have received the industry-renowned Green Key Award, meeting the highest environmental management standards set by the Foundation for Environmental Education (FEE). Our ISO14001 Environmental Management System (EMS) supports our offices to benchmark performance and track our progress towards goals. We will continue to assess and pursue global standards, for the travel and tourism industry to evaluate and recognise our sustainability practices.

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*In 2018, Melco became Macau’s first and only establishment to achieve the prestigious Green Key Awards at four of our integrated resort properties: Morpheus, Nüwa, The Countdown at City of Dreams and Studio City Hotel. Green Key is the leading global tourism industry award for excellence in environmental responsibility and sustainable operations.*



## CARBON NEUTRAL RESORTS

Climate change is not just an issue for the future, it is happening right now. Extreme weather events, such as the typhoons experienced at our own resorts, are predicted to increase in frequency as the climate changes.

To address these big challenges, we need to rethink some of the most basic aspects of how our industry works.

We believe that luxury and world class entertainment experiences can go hand-in-hand with caring for the climate. That's why we are playing our part in combating climate change by committing to achieving carbon neutrality<sup>1</sup> at all our resorts by 2030. This bold ambition will be built on continuously improving energy efficiency at our existing properties, and investing in renewable energy, innovation and other low- and no-carbon technologies such as electric vehicles.

*Carbon neutrality is a demanding goal, but we are building a roadmap to achieve it with four main strategies:*

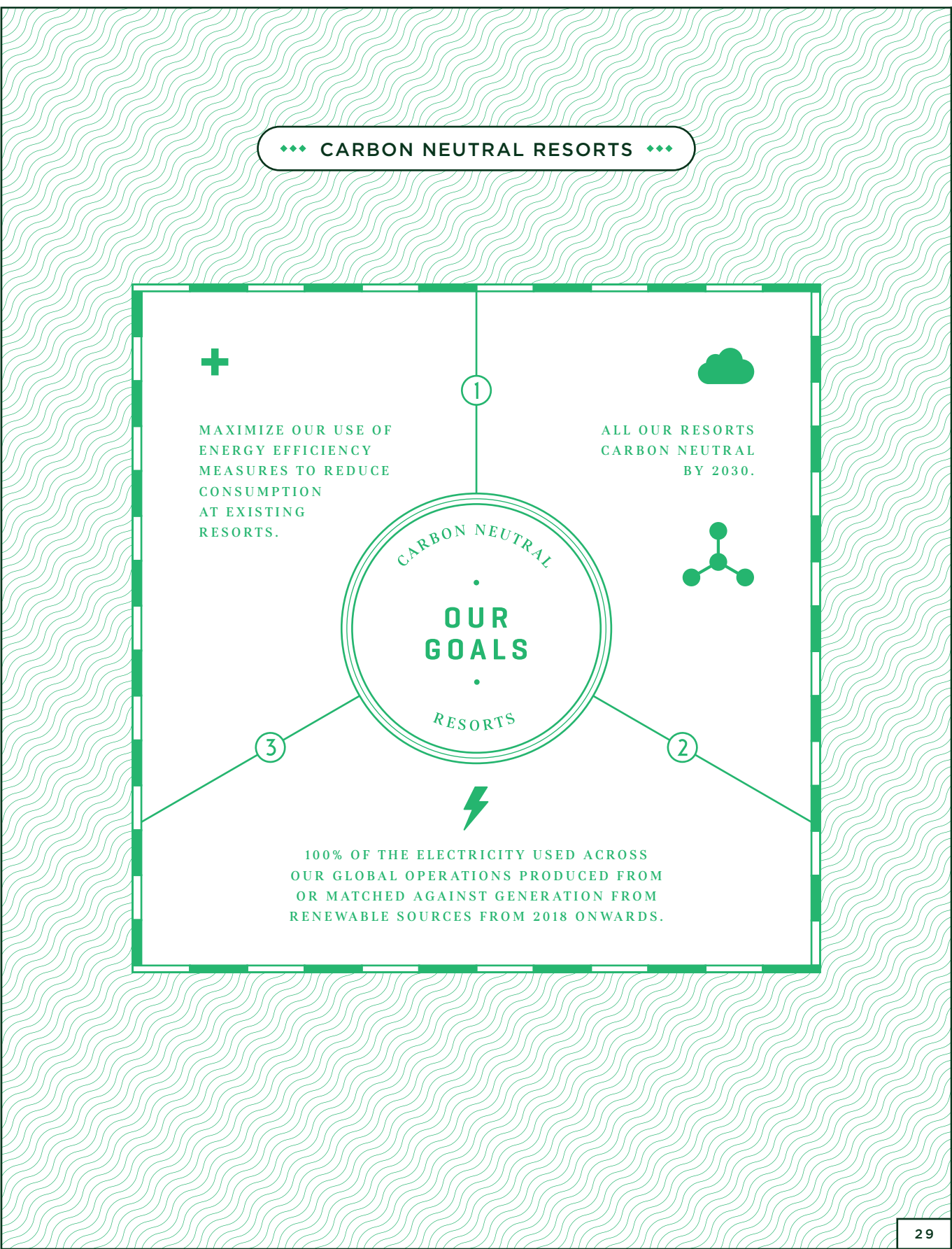
1. Reduce our energy consumption with energy efficiency measures at our existing properties. Avoiding the use of energy is not only the preferred environmental option, it also enables us to track these savings to invest in other sustainability initiatives to support our strategy.
2. Electrify our fleet of vehicles over time to reduce the use of fossil fuels. Starting

with shuttle buses, we will expand our use of electric vehicles across our properties and power them with renewable energy.

3. Switching from grid electricity to renewable electricity. We are already installing onsite renewable sources of energy. We'll prioritize this along with investments in offsite renewable projects and virtual power purchase agreements (vPPAs) where possible. To ensure all our electricity is from renewable sources, we will purchase Energy Attribute Certificates (EACs) or other renewable energy instruments to help stimulate renewable energy markets in the regions we operate in.

4. Reduce and offset our indirect footprint. Upon continuously maximizing efficiency measures and use of renewable energy, we will offset any remaining emissions by purchasing verified carbon credits in line with our carbon neutral commitment.

<sup>1</sup> As defined by The CarbonNeutral Protocol: The global standard for carbon neutral programs. January 2018, Natural Capital Partners. [https://assets.naturalcapitalpartners.com/downloads/The\\_CarbonNeutral\\_Protocol\\_Jan\\_2018.pdf](https://assets.naturalcapitalpartners.com/downloads/The_CarbonNeutral_Protocol_Jan_2018.pdf)





How we are doing

We are making substantial progress towards carbon neutrality across our four integrated resorts in Macau and Manila. Our absolute Scope 1 & 2 have reduced by 95% since 2016.

.....

| GHG EMISSIONS  |         |         |        |
|--|---------|---------|--------|
| IN MTCO <sub>2</sub> E (METRIC TONNES CARBON DIOXIDE EQUIVALENT) |         |         |        |
|  | 2016    | 2017    | 2018   |
| SCOPE 1  | 13,581  | 15,132  | 19,781 |
| SCOPE 2 (MARKET-BASED)   | 363,226 | 328,225 | -      |
| TOTAL SCOPE 1 AND 2 EMISSIONS                                    | 376,807 | 343,357 | 19,781 |
| EMISSIONS INTENSITY BY GROSS FLOOR AREA (IN SQUARE FEET)         | 0.030   | 0.027   | 0.001  |

MELCO'S GHG INVENTORY IS CALCULATED USING AN OPERATING CONTROL APPROACH. THE INVENTORY ALIGNS WITH THE GREENHOUSE GAS PROTOCOL CORPORATE ACCOUNTING STANDARD ("GHG PROTOCOL") PUBLISHED BY THE WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD) AND THE WORLD RESOURCES INSTITUTE (WRI), AND REFERS TO THE GLOBAL WARMING POTENTIALS (GPWS) OF THE FIFTH ASSESSMENT REPORT (5AR) OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC). SCOPE 2 LOCATION-BASED EMISSIONS ARE REPORTED IN THE GRI CONTENT INDEX.

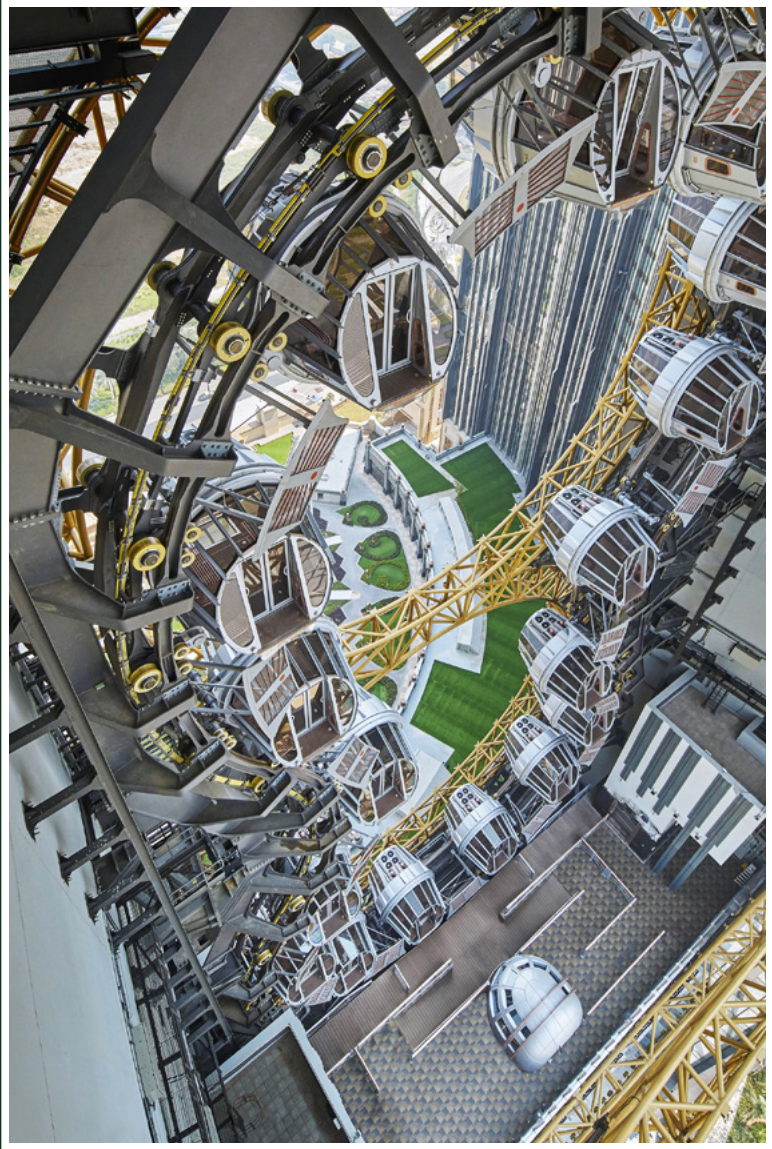
TOTAL GROSS FLOOR AREA (GFA) IS MEASURED IN SQUARE FEET AND COVERS THE FOLLOWING PROPERTIES: CITY OF DREAMS, ALTIRA MACAU, STUDIO CITY, MOCHA CLUBS, AND CITY OF DREAMS MANILA, AS WELL AS CORPORATE OFFICES OF MELCO RESORTS AND MELCO INTERNATIONAL.

| TOTAL ENERGY CONSUMPTION                              |         |         |         |
|---|---------|---------|---------|
| ALL NUMBERS IN MWH (MEGAWATT HOURS)                   |         |         |         |
|   | 2016    | 2017    | 2018    |
| FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES           | 55,170  | 55,765  | 74,208  |
| FUEL CONSUMPTION FROM RENEWABLE SOURCES               | -       | -       | -       |
| ELECTRICITY CONSUMPTION FROM NON-RENEWABLE SOURCES    | 423,089 | 409,666 | -       |
| ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES        | -       | -       | 431,060 |
| TOTAL ENERGY CONSUMPTION                              | 478,260 | 465,430 | 505,269 |
| ENERGY INTENSITY BY GROSS FLOOR AREA (IN SQUARE FEET) | 0.038   | 0.037   | 0.036   |

"MINOR DISCREPANCIES IN THE TOTAL SUMS OF INDIVIDUAL COMPONENTS IS DUE TO ROUNDING. TOTAL GROSS FLOOR AREA (GFA) IS MEASURED IN SQUARE FEET AND COVERS THE FOLLOWING PROPERTIES: CITY OF DREAMS, ALTIRA MACAU, STUDIO CITY, MOCHA CLUBS, AND CITY OF DREAMS MANILA, AS WELL AS CORPORATE OFFICES OF MELCO RESORTS AND MELCO INTERNATIONAL."





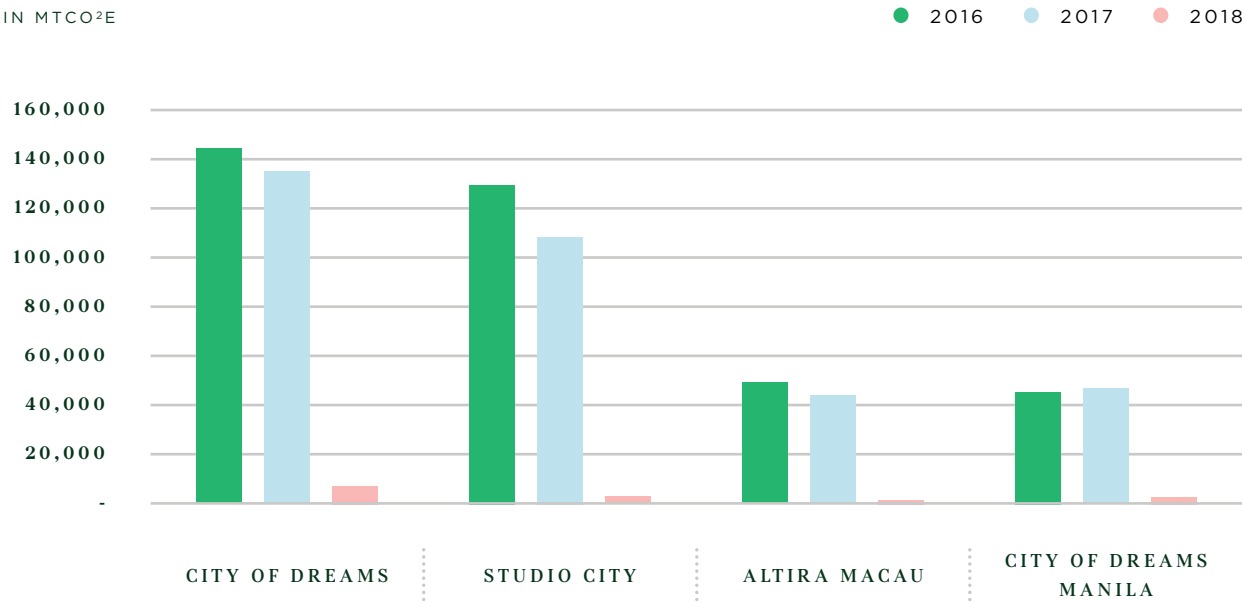


STUDIO CITY

Golden Reel

RESORT GHG EMISSIONS

IN MTCO<sub>2</sub>E



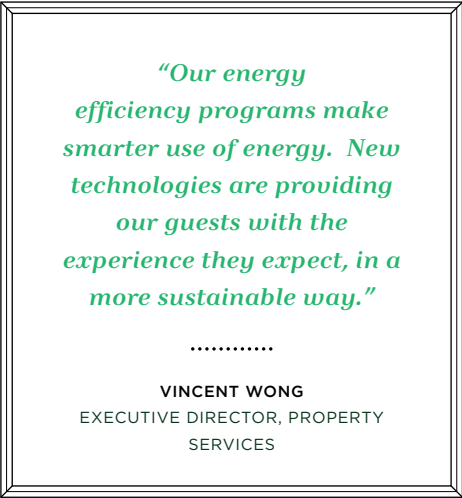


REDUCING OUR ENERGY CONSUMPTION

Energy efficiency is always our preferred way of reducing our emissions. In 2018, we completed detailed energy audits and created environmental roadmaps at all our resorts. 2018 highlights include :

- **LED Lighting installations:**  
We continued rolling out energy-efficient LED lighting for both exterior and interior illumination. All newly constructed or renovated spaces are equipped with latest technology LEDs. Over 70% of approximately 4,300 light installations have been converted in the parking building at City of Dreams Manila, saving nearly 27,700 kWh monthly.
- **Greater use of photo-sensors:**  
We implemented photo-sensors in outdoor light fixtures and all hotel staff lift lobbies in Altira Macau, as well as in priority spaces in the City of Dreams and Studio City Heart of House. This will help ensure those lights are only turned on when they are needed.
- **Optimised building management systems:** To help us understand where other savings can be made, we are optimising our building management system at City of Dreams Manila to collect data from individual submeters and track energy use and temperature.

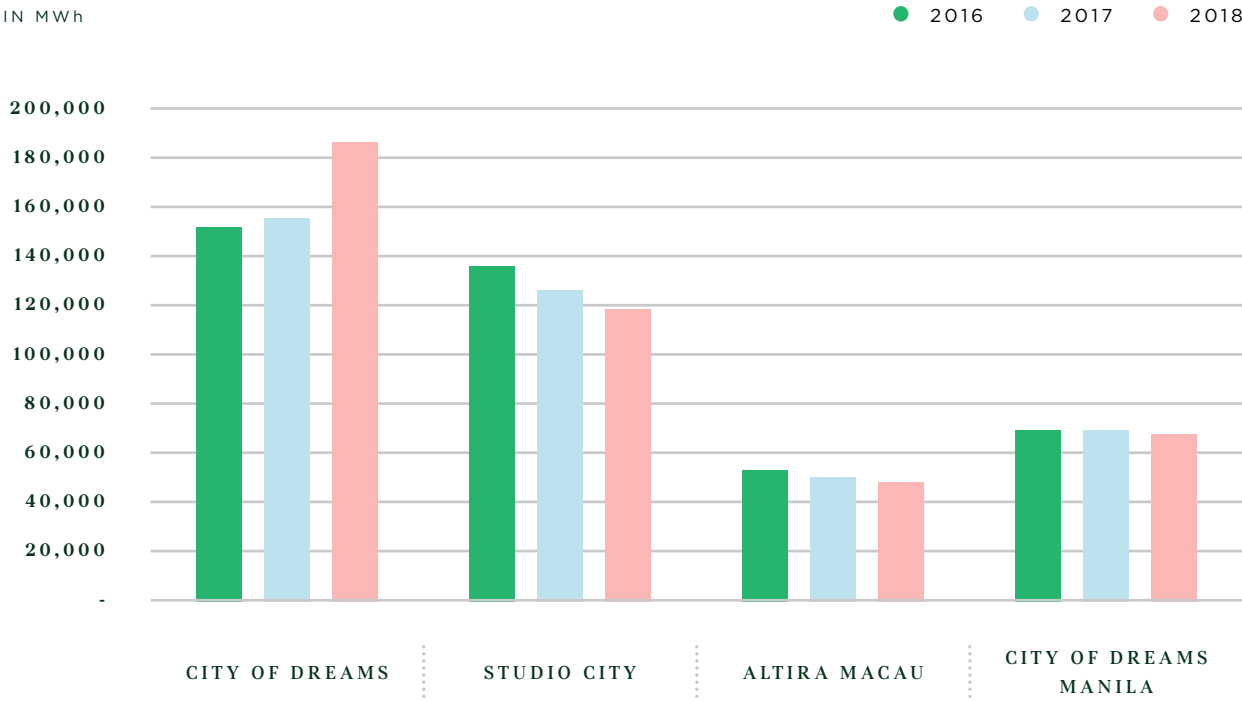
Excluding City of Dreams, which expanded significantly with the addition of Morpheus, between 2016 and 2018 we



reduced energy consumption at each of our other three resorts by an average of 10%.

We are proud that Studio City received the CEM Energy Saving – Excellence Award in 2018 in recognition of its work to improve energy efficiency. There has been a simultaneous drop in the use of absolute electricity at this resort by 13% since 2016.

RESORT PURCHASED ELECTRICITY CONSUMPTION





TRANSITIONING TO  
RENEWABLE ENERGY

Renewable energy is the future. To play our part in accelerating adoption, we are investing in renewable energy markets in the locations where we operate, and in particular leading the way in Macau by implementing the first large-scale onsite solar photovoltaic project. In addition to this, we are already procuring 100% of the electricity we use from renewable sources through our purchase of EACs or PowerPlus.

MACAU'S LARGEST SOLAR ARRAY

Close to 30,000 square meters of rooftop space at City of Dreams and Studio City in Macau is covered with over 18,000 solar photovoltaic panels. They will have the capacity to generate nearly 7.7 million kWh of energy per year—enough to power 1,500 households.

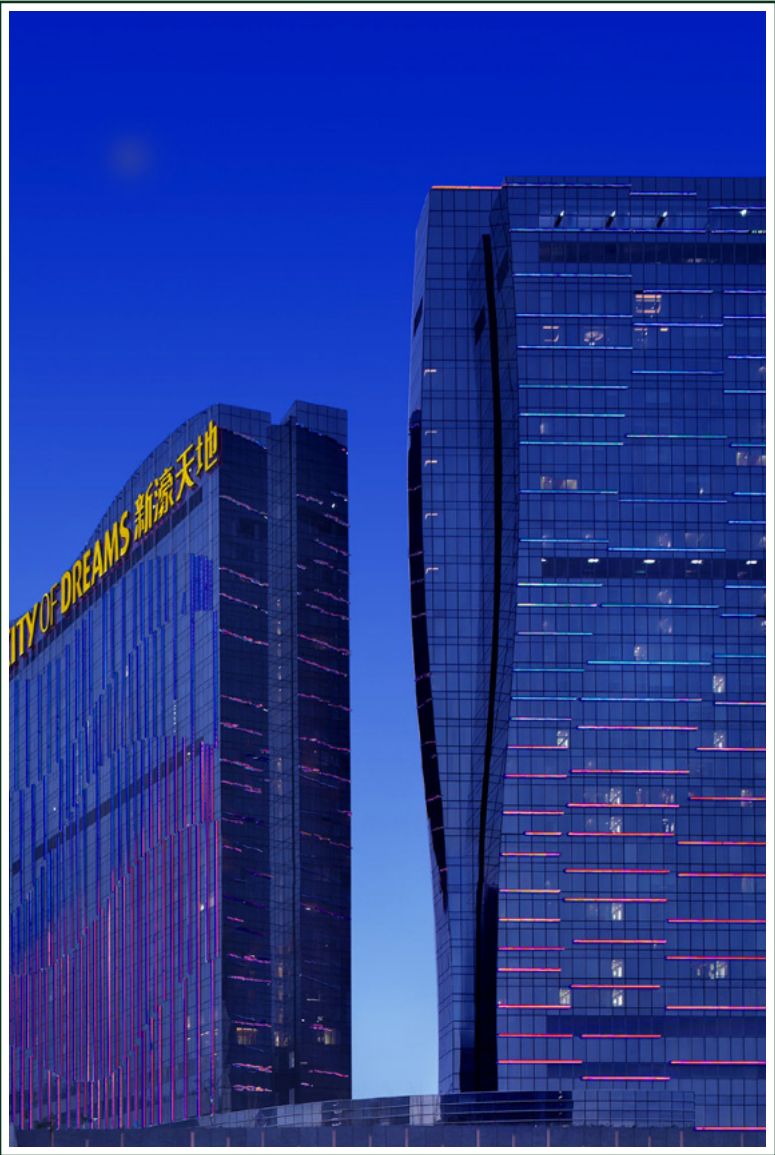
We are the first integrated resort in Macau to install such large-scale onsite renewable energy technology. Once fully operational, it will reduce our CO<sub>2</sub> emissions by more than 6,000 tons a year. This is roughly the same amount of CO<sub>2</sub> that 260,000 trees would absorb annually.

This is not just about our carbon footprint. The project has great potential to create positive change in Macau by nurturing the local renewable energy industry. This is one of the reasons we partnered with local company, Man Io Energy, to install the panels.

*«We are thrilled as a local small and medium enterprise to have the opportunity to collaborate with Melco on this pioneering sustainability project for Macau's gaming and hospitality industry. The vast scale of the system has never before been seen in Macau, and through the ongoing partnership with Melco, our company has gained valuable knowledge and on-the-field experience to establish its foundation as a forerunner in the area of sustainable energy.»*

.....

MR. SAM LIU  
DIRECTOR OF BUSINESS DEVELOPMENT  
AT MAN IO ENERGY



CITY OF DREAMS

Grand Hyatt Macau



## STIMULATING THE RENEWABLE ENERGY MARKET

As we work to increase our investment in onsite and offsite renewable energy projects, we also want it to have an immediate impact on the environment.

Using our procurement power is an effective way for Melco to drive change. That is why 100% of the electricity used at our resorts in 2018 came from renewable sources through purchased EACs issued by the I-REC Standard (International Renewable Energy Certificate Standard) from renewable energy projects in China and the Philippines. The I-REC Standard allows us to guarantee that our electricity is coming from renewable sources and via credible tracking systems, while also supporting local renewable energy markets.

PowerPlus, a similar scheme in Japan, enables us to match our electricity consumption in our Japan operations with renewable energy generation in the country. It is verified and validated through J-Credit Standard, a Japanese standard that provides independent third-party assurance of the electricity produced and carbon emission reductions.

## ELECTRIFYING OUR VEHICLE FLEET

Small changes can have a far wider impact. Fossil fuels, natural gas in our kitchens, and diesel in our vehicle fleet, represent less than three percent of our direct carbon footprint. However, in

launching Macau's largest fleet of twenty zero-emission electric buses in September 2018, we celebrated not only a reduction in greenhouse gas emissions, but also an improvement in air quality and the health of our staff and local communities.



The buses operate as guest shuttles between our City of Dreams, Studio City and Altira Macau resorts. They represent a collaboration with manufacturer Zhengzhou Yutong Bus Company Limited and support broader government commitments for a greener Macau.

## OUR VISION FOR FUTURE RESORTS

Our new resorts offer even greater opportunity for positive environmental impact, and we are committed to designing them to the highest standards of environmental sustainability. New building design, will be informed by globally recognised, sustainable building certifications, to ensure we identify opportunities for sustainable design and potential for future certification.

Our vision for the second phase of development at our Studio City resort in Macau features an exciting mix of 900 rooms and suites and non-gaming entertainment attractions, including one of the largest water parks in Asia. It will also implement an ambitious array of sustainable design elements that support our carbon neutral and zero waste goals.

At the heart of our design philosophy is an attention to thermal comfort, acoustic performance, indoor air quality and the use of natural daylighting to reinforce the health and wellbeing of our guests and our colleagues.

We will target a 20% improvement in energy performance compared to the ASHRAE baseline. To achieve this, we will enhance the thermal and solar properties of the building façade, as well as create system efficiencies and sub-metering to accurately monitor energy consumption.

Dedicated areas for the collection and storage of recyclable materials will be incorporated into the building design to ensure we maximize sorting and recovery of materials. The principal contractor will also be required to implement a construction and waste management plan that facilitates the reuse, recycling and recovery of materials throughout the construction phase.





ACHIEVING ZERO WASTE  
RESORTS AND CONTRIBUTING  
TO CIRCULAR ECONOMY  
LEADERSHIP IN ASIA

Melco’s goal is to be a leader in the Circular Economy movement in Asia, and achieving *zero waste resorts by 2030*. To Melco, “zero waste” means sending no waste to landfill or incinerating waste without energy recovery.

A circular economy is one that keeps materials in productive use for longer and eliminates waste. It’s an idea that affects the way we think about our entire business. It requires us to strategically design our resorts and operations with greater focus on which materials we use, how much and how long we use the materials for and, of course, how we dispose of those materials.

It requires us to find new solutions, and to harness the innovative spirit that is at the core of our business. This will help us to shape the future of gaming and entertainment in Asia. By doing so, we aim to help lead the transition to a more circular economy.

*To achieve zero waste we will :*

- Improve how we use resources, and eliminate waste in our operations
- Partner with our supply chain for innovative solutions that eliminate waste and enhance circularity

This is not a new concept for us; we received an “Excellence” ranking at our Hong Kong offices from Wastewi\$e for ten consecutive years from 2009-2018. Wastewi\$e rankings evaluate three areas: reducing waste, recycling, and buying recycled products.



WASTE DISPOSAL BY METHOD  
(IN TONS)

|  | 2016   | 2017   | 2018   |
|--|--------|--------|--------|
| COMPOSTING   | 29     | 32     | 71     |
| RECYCLING  | 627    | 555    | 576    |
| INCINERATION WITH ENERGY RECOVERY                          | 11,892 | 11,680 | 12,423 |
| INCINERATION   | -      | 2      | 7      |
| LANDFILL   | 3,981  | 3,885  | 3,260  |
| WASTE INTENSITY BY GROSS FLOOR AREA***<br>(IN SQUARE FEET) | 0.0013 | 0.0013 | 0.0012 |
| TOTAL (TONS)   | 16,528 | 16,154 | 16,337 |

“MINOR DISCREPANCIES IN THE TOTAL SUMS OF INDIVIDUAL COMPONENTS IS DUE TO ROUNDING. TOTAL GROSS FLOOR AREA (GFA) IS MEASURED IN SQUARE FEET AND COVERS THE FOLLOWING PROPERTIES: CITY OF DREAMS, ALTIRA MACAU, STUDIO CITY, MOCHA CLUBS, AND CITY OF DREAMS MANILA, AS WELL AS CORPORATE OFFICES OF MELCO RESORTS AND MELCO INTERNATIONAL.”

OUR WASTE FOOTPRINT

The majority of our waste is incinerated with energy recovery, allowing us to avoid landfills. Meanwhile, waste to landfill tonnage has decreased every year since 2016, while composting has increased. These trends support the reduce, reuse, and recycle efforts subsequently described in this section.





### TAKING ACTION ON PLASTIC WASTE

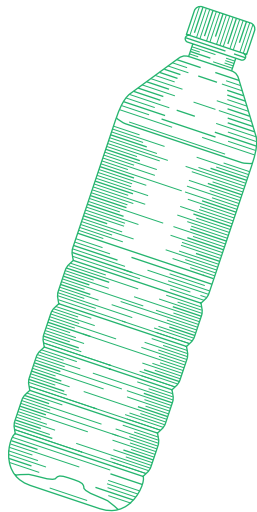
Plastic waste is a global challenge and requires us to respond with an ambitious plan. In 2018 we started working on just such a plan, with a focus on eliminating all problematic and unnecessary plastic items. We are innovating to ensure that the plastics we do need are reusable, recyclable, or compostable, and we are reusing, recycling or composting to keep plastic in the economy and out of the environment. Melco recently became the first hospitality company to join the Ellen MacArthur New Plastics Economy Global Commitment, solidifying our approach to addressing plastic waste.

Focusing initially on drinking straws, water bottles, and packaging from the in-room amenity packs, we will also be expanding our efforts to all single use plastic amenity items and packaging across our operations.

This work involves the focused efforts of colleagues from across the business and a range of new initiatives. Take bottled water as an example. We have installed over 100 water dispensers throughout our properties, and we estimate these dispensers have saved over 390,000 half-litre bottles since 2017. At both Manila and Macau, we are 'lightweighting' water bottles by reducing the size and thickness of bottles and caps. Decreasing bottle weights by more than 26% will save close

to 100 metric tonnes of plastic annually, addressing approximately 96% of our Macau resorts and 90% of our Manila resorts water bottle procurement. In Manila, through colleague training, we have successfully separated 100% of the bottles from the general waste stream for recycling in 2018. Three initiatives, one goal – to reduce the plastic from water bottles becoming waste.

We are making many small changes like these which, when combined, will have a significant impact. We replaced plastic stirrers with wooden alternatives in Manila. We moved to single-wrapping cotton buds at Altira Macau and Morpheus rather than the previous double-layered version. The work continues as we explore further sustainable replacements for plastic items such as straws, take-away containers, trash bags, and ice cream spoons.



### TAKING ACTION ON FOOD WASTE

Memorable and luxurious dining is an important part of what attracts our guests to Melco resorts. Beyond these signature restaurants, there are more than 95 restaurants, cafes and bars across our properties offering a range of culinary choices to our guests. Behind the scenes, our employee dining facilities cater around the clock for over 21,000 colleagues. We offer a 'healthy food corner' for our colleagues that includes fresh fruit and vegetables delivered daily.

Composting also helps to reduce food waste. In Macau, we are composting 200 kg of food waste a day, equivalent to 73 tons a year. By composting we can reuse organic waste, reducing associated CO<sup>2</sup> emissions and other environmental impacts. At City of Dreams Manila, wormeries break down material such as eggshells, vegetable peelings, and gardening clippings, to produce vermiculture. This in turn is used as organic fertilizer on our grounds, reducing the need for chemical fertilizers.

Food waste audits completed in 2018 at our Heart-of-House employee dining facilities at City of Dreams and Studio City in Macau helped us identify waste reduction opportunities that we can replicate at our other properties. In 2019, we will explore opportunities to inform leaner food production and demand forecasting. We will also install a food waste pulper to promote efficient decomposition of waste material.





OTHER HIGHLIGHTS OF OUR  
RECYCLING/REUSE INITIATIVES IN 2018

RECYCLE



WE PARTICIPATE IN A NESPRESSO CAPSULE RECYCLING PROGRAM. SOME CAPSULES ARE HANDCRAFTED BY ARTISANS AT NVC FOUNDATION INTO ARTWORKS WHICH ARE SOLD TO SUPPORT FAMILIES WITH THEIR HEALTH, EDUCATION AND LIVELIHOOD. THE REMAINING SHREDDED CAPSULES ARE RECYCLED BACK TO PURE ALUMINIUM THROUGH SMELTING, AND THE COFFEE GROUNDS ARE DONATED TO LOCAL FARMERS TO BE USED AS FERTILIZER.

MACAU RESORTS RECENTLY JOINED THE 'CLEAN THE WORLD' ASIA INITIATIVE, RECYCLING PARTIALLY USED SOAPS INTO SOAP BARS THAT ARE DONATED TO LOCAL AND REGIONAL COMMUNITIES IN NEED. THE SOAPS WILL BE PREDOMINANTLY DISTRIBUTED TOGETHER WITH HYGIENE EDUCATION TO THE PHILIPPINES, WITH A PORTION RESERVED FOR THE LOCAL MACAU RESIDENTS IN NEED OR AS PART OF THEIR HYGIENE EDUCATION PROGRAMS.

COLLEAGUES VOLUNTEER FOR OUR MANILA "SOAP FOR HOPE" PROGRAM, SANITIZING AND PROCESSING PARTIALLY USED SOAPS THAT ARE THEN DONATED TO PARTNER CHARITIES.

REUSE



IN MANILA, WE COLLECT UNDEALT PLAYING CARDS INTO FULL PACKS FOR RECIRCULATION RATHER THAN TREATING THEM AS SINGLE USE.

THE PADS USED IN LAUNDRY PRESSING MACHINES ARE COVERED WITH DISCARDED LINENS, PROLONGING THEIR LIFESPAN.

IN MACAU, OVER 30,000 PIECES OF USED LINEN WERE REUSED TOWARD OTHER NEEDS SUCH AS TYPHOON AND CLEANING SUPPLIES. IN MANILA, WE DONATED OVER 6,500 PIECES OF USED LINEN TO MULTIPLE ORGANISATIONS SINCE SEPTEMBER 2017.

«Likhaya» is a social entrepreneurship program from the Virlanie Foundation, which is focused on repurposing some of our waste materials to support families in the Philippines. Mothers in Bulacan, Quiapo and Tondo are paid to craft eco-bags, packaging, eco-jewelry and handicrafts from old magazines, fabrics (uniforms, linens and curtains), thick canvas, sacks, cardboard boxes, tissue roll core, and other waste materials. Virlanie markets their products for corporate gifts and through bazaars, using the proceeds to support a training centre for adults and kids as well as a street-based education program for street children.





WATER

Growing populations and climate change mean that water stress is an increasing issue globally. We are committed to using this precious resource responsibly.

We have installed state-of-the-art equipment at our resorts to conserve water. The SYNERGY® system purifies water while reducing chemical use by up to 90%. A sophisticated filtration system for The House of Dancing Water at City of Dreams, allows us to reuse pool water indefinitely.

At Altira, Macau we treat and recycle greywater from guestroom sinks, showers and baths to use as flush water, saving more than half of the freshwater normally required for flushing.

There are also many smaller scale water efficiency measures installed across our resorts. These include automatic sensors on all faucets, water-saving toilets and showers in hotel guest rooms, and a rainwater recovery system to store rainwater for irrigation. Additionally, we have invested in extensive planting to minimise water loss through wind evaporation from pools and river features. Behavioural change also plays a key role, as we train our colleagues to be water-conscious when cleaning guest rooms and public areas.

These initiatives have resulted in a relatively consistent water consumption profile over the last three years. Our City of Dreams Manila and Studio City resorts have achieved a significant reduction in water consumption—over 20% and 9% respectively since 2016. This data supports our future plans for improving the water efficiency at these operations.



| WATER USE  |           |           |           |
|--|-----------|-----------|-----------|
| (IN M <sup>3</sup> )                                 |           |           |           |
|  | 2016      | 2017      | 2018      |
| BY LOCATION  |           |           |           |
| CITY OF DREAMS                                       | 1,072,140 | 1,078,463 | 1,302,178 |
| STUDIO CITY  | 1,026,695 | 981,723   | 937,636   |
| ALTIRA MACAU   | 381,596   | 391,692   | 413,273   |
| CITY OF DREAMS MANILA                                | 685,454   | 597,792   | 544,561   |
| MOCHA  | 60,694    | 61,175    | 48,603    |
| OFFICES  | 5,338     | 5,615     | 5,798     |
| JAPAN  | -         | 112       | 298       |
| BY SOURCE  |           |           |           |
| MUNICIPAL WATER                                      | 3,181,198 | 3,065,854 | 3,201,628 |
| RECYCLED WATER                                       | 50,718    | 50,718    | 50,718    |
| TOTAL (m <sup>3</sup> )                              | 3,231,916 | 3,116,572 | 3,252,346 |
| WATER INTENSITY BY GROSS FLOOR AREA (IN SQUARE FEET) | 0.256     | 0.247     | 0.230     |

"MINOR DISCREPANCIES IN THE TOTAL SUMS OF INDIVIDUAL COMPONENTS IS DUE TO ROUNDING. TOTAL GROSS FLOOR AREA (GFA) IS MEASURED IN SQUARE FEET AND COVERS THE FOLLOWING PROPERTIES: CITY OF DREAMS, ALTIRA MACAU, STUDIO CITY, MOCHA CLUBS, AND CITY OF DREAMS MANILA, AS WELL AS CORPORATE OFFICES OF MELCO RESORTS AND MELCO INTERNATIONAL."



SUSTAINABLE SOURCING

Our impact stretches far beyond our resorts. We recognise that with procurement we can amplify our environmental and social commitments with the choices we make, and be a force for positive change.

*“We are driving positive social and environmental changes far beyond our operations through the choices we make in the things we buy.”*

.....

**AUGUSTA VARGAS-PRADA**  
VICE PRESIDENT, GLOBAL SUPPLY CHAIN

Sustainable purchasing at Melco means understanding more about the impact of the goods and services we purchase and changing practices to reduce environmental impacts. It also means investing in local suppliers so that our resorts support the local economy and the communities that depend on it.

In 2018, we implemented sustainable sourcing guidelines for three key product categories – cotton, seafood and cleaning products. Over time, we will add other goods to our sustainable sourcing program.

COTTON

We procure large quantities of cotton each year, primarily in the form of high-quality bed linen and towels for our hotel rooms, ensuring our guests have a luxurious night’s sleep. To mitigate the environmental impacts associated with the global cotton industry, Melco is committed to sourcing cotton items that promote sustainable growing, harvesting and manufacturing practices.

In 2018, we launched our sustainable cotton sourcing guidelines which endorse and actively support the sourcing of Better Cotton through the Better Cotton Initiative in addition to OEKO-TEX® certified cotton products in our hotels. The STANDARD 100 by OEKO-TEX® certification ensures our products have been tested for harmful substances, providing reassurance to our guests that their safety has been put first.

By the end of 2018, we had already made considerable strides with OEKO-TEX®:

- Within our Macau resorts, over 95% of our bed linens and towels by volume have obtained STANDARD 100 by OEKO-TEX® certification.
- Across all of our operations, over 70% of our bed linens and towels by volume have obtained STANDARD 100 by OEKO-TEX® certification.

Our goal is for 100% of our bed linens and towels to be sourced from OEKO-TEX® certified suppliers by 2030, and 50% of our linens and towels to be sourced as Better Cotton in the same timeframe. We will extend this goal to other textiles and garments, over time.

THE BETTER COTTON INITIATIVE CONNECTS PEOPLE AND ORGANIZATIONS THROUGHOUT THE COTTON SECTOR, FROM FIELD TO STORE, TO PROMOTE MEASURABLE AND CONTINUING IMPROVEMENTS FOR THE ENVIRONMENT, FARMING COMMUNITIES, AND THE ECONOMIES OF COTTON-PRODUCING AREAS.



BCI is the largest cotton sustainability program in the world and makes enough cotton to manufacture 2.1 billion large bath towels. BCI Farmers produced 3.3 million metric tonnes of Better Cotton lint in 2016-2017. At Melco, we are proud to be the first company in the hospitality sector to become members, demonstrating our leading commitment to this initiative.







CLEANING PRODUCTS

In 2018, we reviewed all the cleaning products we use and introduced guidelines and a sustainability rating scheme for buyers. The guidelines state our preference for products that reduce environmental and human health impacts while maintaining quality.

We encourage buyers to choose products that meet internationally recognized eco-labels such as Green Key, Green Seal and those that biodegrade easily, while avoiding products that contain chemicals that are harmful to the environment and human health. In 2018, Morpheus, Nüwa, The Countdown at City of Dreams and Studio City Hotel all received Green Key Awards. By achieving these awards, our colleagues and guests can be assured that we are continuously working to increase the number of cleaning products that are free of the harmful chemicals listed in the Green Key blacklist.

While we already use many products that adhere to internationally recognized ecolabels, our guidelines will expand the scope of environmentally preferable products we purchase over time.

In addition to the types of chemical cleaning products we use, we are looking at how technology can have an added positive impact in our cleaning operations as well.

No matter the solution implemented, we always ensure our colleagues are provided training on the proper handling, use, storage, and disposal of cleaning products. This training helps ensure that our employees are equipped with the knowledge to keep themselves and others safe.

SEAFOOD

Healthy and productive oceans are important for both marine ecosystems and the communities that rely on them for their livelihoods. To supply our restaurants and staff dining facilities across our resorts, we procure a large amount of high-quality seafood from around the world. By making a positive choice to purchase seafood products from sustainable fisheries and farms, we can play a role in promoting responsible management of fish stocks and the health of our oceans.

Our recently implemented sustainable sourcing guidelines outline our preference for Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), or Best Aquaculture Practices (BAP) certified seafood. We also highly consider seafood sourced from fishery or aquaculture improvement projects, or are listed as recommended or equivalent on reputable seafood rating systems. These guidelines inform our work with suppliers to source certified products for our own operations.

To ensure that the MSC-certified seafood products we purchase are traceable throughout each stage of the supply chain and separated from non-certified products, Melco is working to obtain MSC Chain of Custody (CoC) certification. We are also providing MSC CoC training to our supply chain and restaurant staff in early 2019 to help them make more sustainable seafood choices. Among other topics, the training will address the principles behind certification, present current MSC Chain of Custody suppliers in the region, and culminate with a workshop on sourcing specific species.

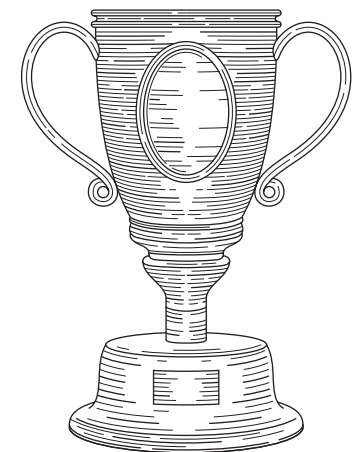
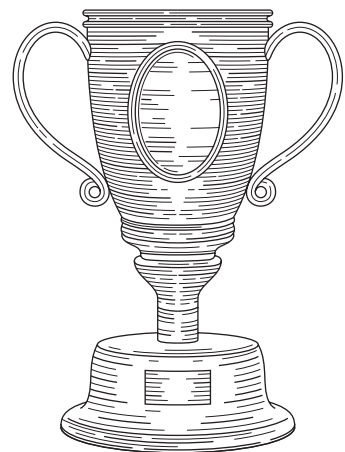
In 2018, we worked towards increasing the percentage of seafood we purchase from sustainable sources, and engaged a number of priority suppliers in supporting our efforts. We look forward to reporting our progress once we have completed MSC Chain of Custody certification.



OUR SYSTEM  
.....  
FOR SUCCESS

THE INDUSTRY'S NEW LEADER  
..... IN .....  
RESPONSIBLE GAMING

TECHNOLOGY  
.....  
& PROCESS



COMMUNITY AWARENESS & ENGAGEMENT  
.....  
EMPLOYEE EDUCATION



# RESPONSIBLE GAMING

05

- “ We will always be at the forefront of the industry’s responsible gaming efforts and work tirelessly to protect those in need of help.”

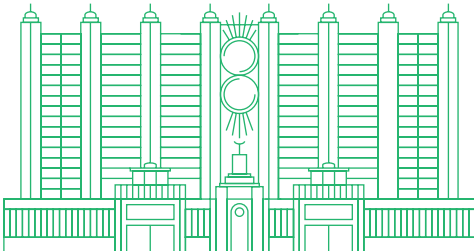
LAWRENCE HO, CHAIRMAN AND CEO

## THE INDUSTRY'S NEW LEADER IN RESPONSIBLE GAMING

Melco’s proactive, systematic approach towards Responsible Gaming (RG) results in industry-leading technology, and includes programs and initiatives that go above and beyond mandated regulatory requirements. RG is a top priority; instilling a culture of responsible gaming is inherent in everyone’s role, and we are proud that our efforts have been awarded and recognized internationally and locally. We respect and fully cooperate with governments and gaming regulators, and work closely with them in the jurisdictions where we operate.

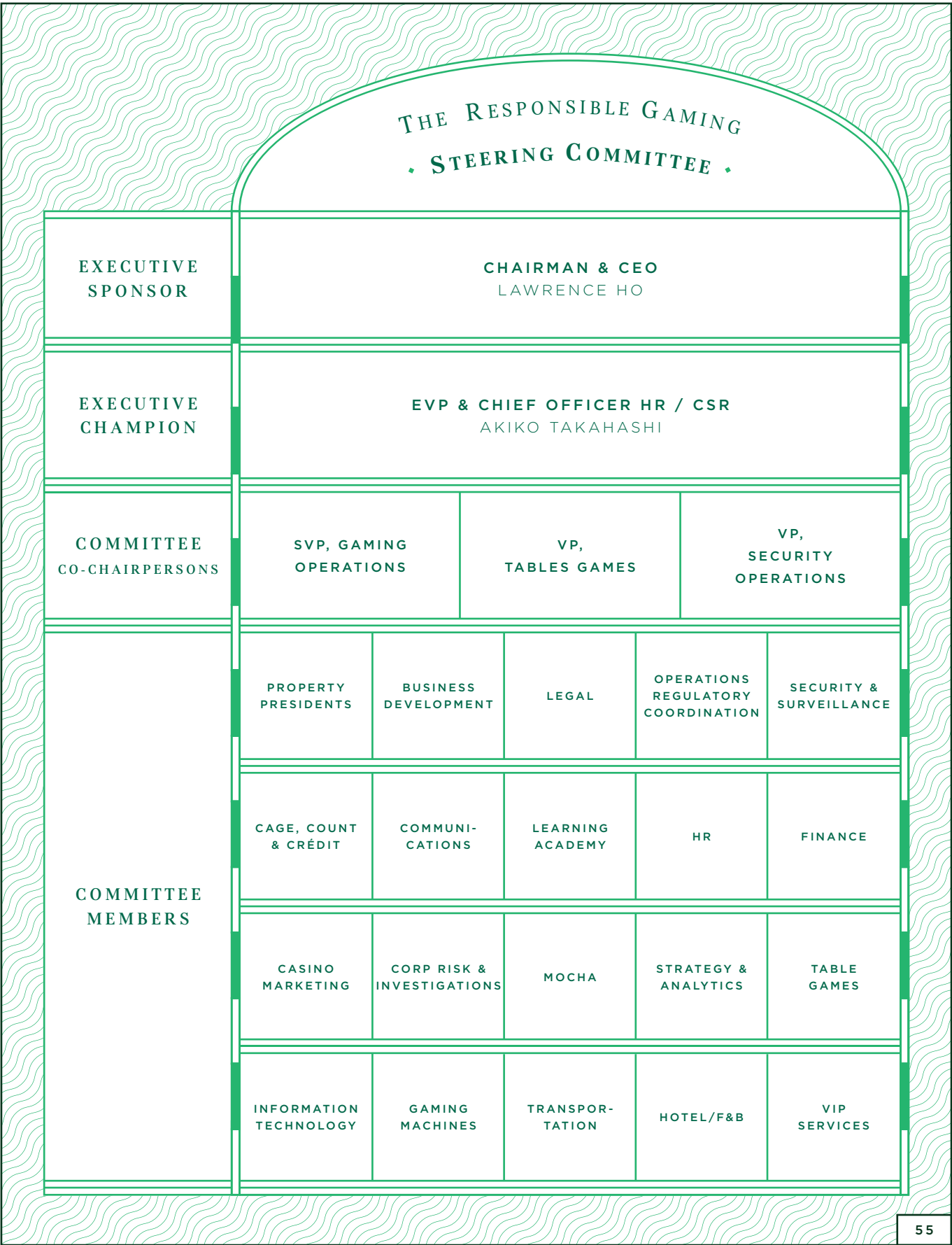
### COMMITMENT FROM THE TOP STEERING COMMITTEE LED BY CHAIRMAN & CEO

The Melco Responsible Gaming Steering Committee was founded in 2008. It is personally led by Lawrence Ho, Melco’s



Chairman and CEO who is the Executive Sponsor.

The RG Steering Committee and its policies are global and apply to all jurisdictions in which we operate, subject to local regulations. The Committee is comprised of cross-functional members from diverse departments—both gaming and non-gaming—including the Presidents of all our properties. The Committee meets quarterly to review and approve strategic initiatives. Separate working committees meet more regularly to propose and implement initiatives.







## AWARDS & RECOGNITION

**Socially Responsible Operator of the Year 2019**  
*International Gaming Awards*

**Business Award of Macau 2017**  
**Corporate Social Responsibility (RG)**

*Top Gold award: The judging panel consisted of business leaders and academics in the community.*

**RG Knowledge Competition**  
**2014 & 2016 Champions**

*Melco is the only gaming operator in Macau to win first place in two out of the three years this government-led competition was held.*

**RG Train-the-Trainer Excellence Award**  
**2017 & 2018**

*Melco trainers have won this award from the government-led Macau Responsible Gaming Association, in two consecutive years.*

## OUR SYSTEM FOR SUCCESS

Melco's global RG strategy is divided into three focus areas to ensure that a comprehensive framework is implemented throughout the group.

- **Technology & process**  
Innovating and implementing differentiated technology for RG.
- **Community engagement**  
Promoting RG through community engagement.
- **Employee education**  
Amplifying RG by educating employees.

## TECHNOLOGY & PROCESS

### FACIAL RECOGNITION

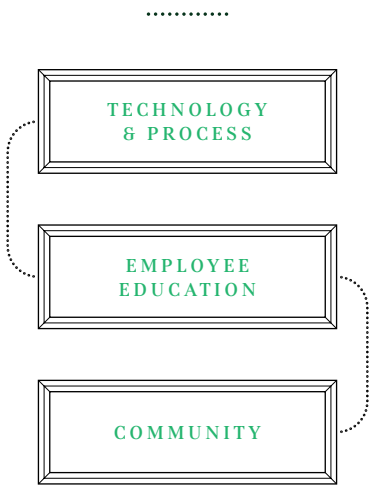
In 2016, Melco became the first operator in Asia to deploy real-time facial recognition security systems at every entrance to our gaming areas in Macau, assisting self-exclusion.

Melco has since been refining the technology and is preparing to install the latest generation in its properties in both Macau and Manila in 2019.

### MELGUARD - THE NEXT GENERATION

MelGuard is the world's first "Biometric Intelligence System" for RG, developed by Melco. The technology uses biometric indicators to prevent restricted individuals—including self-exclusions—from entering the casino floor, while complying with data privacy requirements.

For potential operations in Japan, our plan is to use MelGuard in conjunction with the "MyNumber" card as a means of authentication for those seeking to enter the casino areas of the integrated resort.





## COMMUNITY AWARENESS AND ENGAGEMENT

In addition to meeting the Macau Government's request for operators to display Responsible Gaming information to tourists, we go a step further to raise awareness across the local Macau community.

### PUBLIC SERVICE COMMERCIAL IN MACAU

Melco partnered with a local production company in Macau to produce a television commercial raising awareness of RG. The commercial was aired on Teledifusão de Macau (TDM) during primetime viewing hours. Melco is the only casino operator in Macau to sponsor, produce and televise a public service video on RG in this way.

### WOMEN AND RESPONSIBLE GAMING - 'ART OF LIVING' WORKSHOPS

This series of workshops supports women in the communities where we operate with information on RG. To encourage participation, the RG curriculum is interwoven with lifestyle topics such as flower arrangement, gift wrapping, cooking, etc. The program was launched in 2018 and the first workshop was conducted in partnership with a local non-governmental organization (NGO).

### PROMOTING POSITIVE GAMING ATTITUDES

The objective of this micro-film was to instil positive values in gaming practitioners, in particular the dealer segment of the workforce. Using a movie as a medium to engage audiences was an innovative approach in RG, and we were delighted that 70 Melco colleagues volunteered as cast members.

Melco supported the project financially and helped with story production, scripting and provision of shooting locations. We also took care to ensure the project contributed to the development of Macau's local creative arts industry. This microfilm received tremendous recognition from the community and the Macau government.

### COLLABORATION WITH UNIVERSITIES AND RESEARCH INSTITUTES

Melco continues to support gaming research and education. We donated US\$ 650,000 towards research of Responsible Gaming. We established a Research Centre with Macao Polytechnic Institute and donated to the University of Macau's Institute for the Study of Commercial Gaming (ISCG).







LAWRENCE HO & EMPLOYEES

*Employee RG booth*

## EMPLOYEE EDUCATION

Melco invests heavily in educating colleagues on RG, and training on RG is mandatory for every Melco colleague – gaming and non-gaming, management and non-management.

### RESPONSIBLE GAMING TRAINING PROGRAM

Our RG training program adopts a proactive and systematic approach, with a system to ensure progressive levels of knowledge attainment. We take RG training seriously and its implementation aligns with our philosophy that RG is everyone's job— gaming, non-gaming, management and non-management. To date, 69,326 RG training seats have been filled by Melco colleagues.

### LEADERSHIP FORUM

Over 600 Melco management colleagues participated in a Leadership Forum dedicated to Responsible Gaming. Speakers and guests included key government and RG educational experts. The guest of honor was Mr. Liu Bin, Director of Economic Affairs Department of the Liaisons Office of the Central People's Government, Macau SAR.

### RESPONSIBLE GAMING AWARENESS ACTIVITIES

RG awareness activities take place every 2-3 months in our resorts, and they are an essential part of engaging our colleagues. These activities have helped us win the government-led RG knowledge competition twice. To date, over 65,000 colleagues have taken part. These activities take place in our Heart-of-House, and aim to be interactive and fun. They are attended by our Chairman and CEO, Property Presidents and other members of the management team.

#### RG activities include :

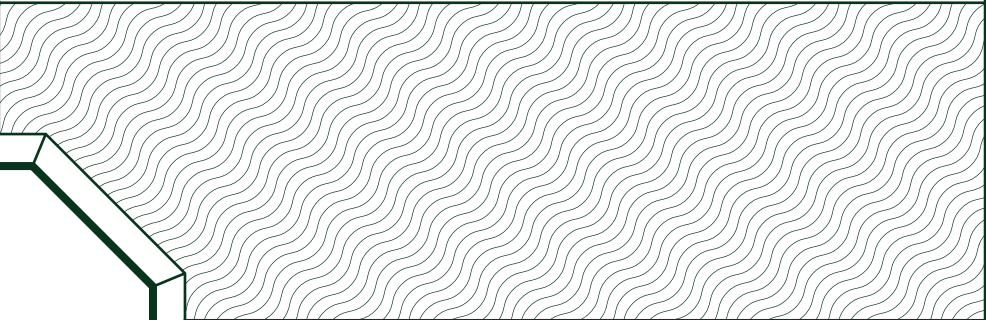
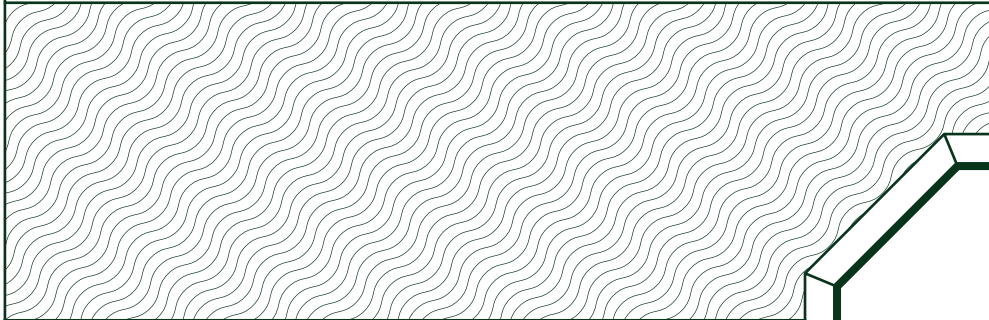
- Roadshows, co-organized with the local NGO Gaming Colleagues Home;
- Annual knowledge competition;
- Annual photo competition;
- Game booths.



◆◆◆  
PRIDE IN THE  
.....  
ORGANIZATION  
◆◆◆



◆◆◆  
WORK ENVIRONMENT  
.....  
‘VALUED AND CARED FOR’  
◆◆◆



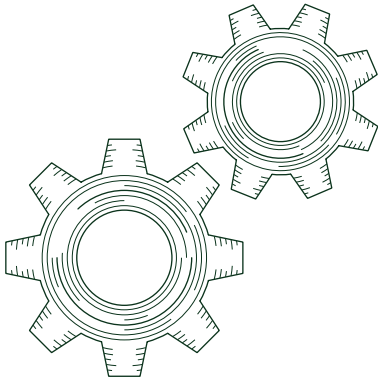
QUALITY OF  
LIFE



.....  
**PEOPLE**  
.....

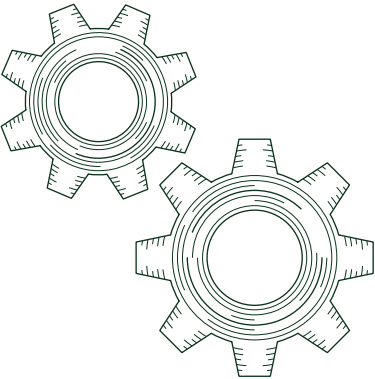


CAREER  
OPPORTUNITIES



06

◆◆◆ FOSTERING A DIVERSE WORKPLACE ◆◆◆  
.....  
KEEPING OUR COLLEAGUES AND GUESTS SAFE





# PEOPLE

## 06

- “People are the lifeblood of this business. With more than 8,000 people working at City of Dreams Macau, I am always looking for ways to gain their perspectives and ideas to improve what we do and how we do it.”

DAVID SISK, PRESIDENT, CITY OF DREAMS MACAU

Our people and our culture are key drivers of our success and the means through which we create the highest-quality guest experiences each day in our resorts. At Melco, we are committed to being an employer that people choose to work for and to stay with. It is our Chairman and CEO’s belief that if we care for our colleagues, they will take care of our guests.

We have created a culture of excellence aligned with the aspirational brand promise of our premium luxury segment. Our colleagues’ delivery of luxury service is achieved through structured and systematic training programs.

To attract and retain high quality colleagues, Melco competes on:

- Pride in the organization’s reputation and success
- Career development opportunities
- Work environment where people feel valued, cared for, and recognized for performance
- Quality of life
- Safe and healthy working conditions

Our compensation is competitive and rewards for performance. We compete on culture as the differentiator.

### PRIDE IN THE ORGANIZATION

Melco prides itself as a curator of world-class entertainment that breaks new ground. We position Melco as the place to build a career for those who wish to work for the best. Our colleagues are very proud of working for a company with international recognition for its excellence –from the Michelin-stars that adorn our restaurants, to the Forbes 5-Star ratings achieved by Melco properties.

Our global employee survey conducted in 2016 by Willis Towers Watson indicated that 80% of our colleagues are proud of working for the company.

We have worked hard to build a culture of excellence. Our premium levels of luxury and service are achieved through a highly structured training system and program that are aligned with our brand service standards.

### ELEMENTS INCLUDE:

**Mandatory orientation:** a required induction that our colleagues must attend before they start working in their respective departments.

**“My first 90 Days” integration program:** a proprietary program, customized for every department, which is a structured integration process to ensure necessary knowledge, skills and expectations are understood. We believe that a structured integration process results in better retention and productivity.

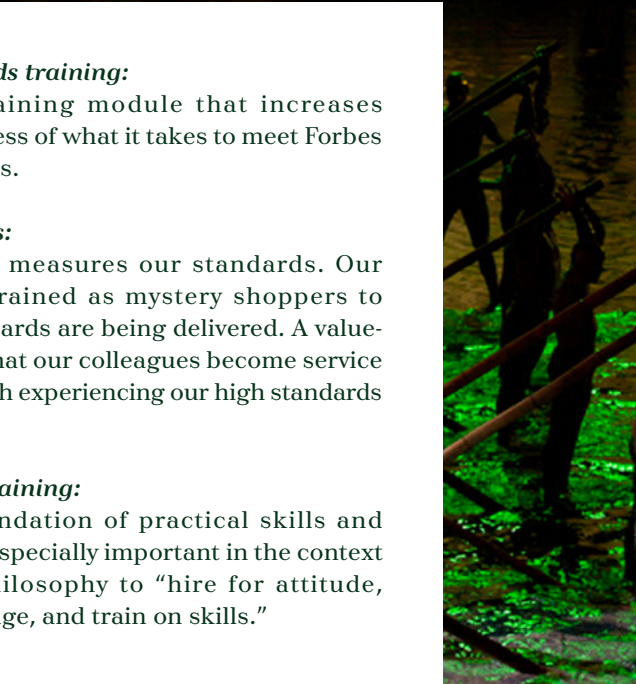
**Customized consumer brand & service training:** a training program to ensure colleagues understand our consumer brand – “what it represents, what it means to me, and what do I do?” In 2018, we designed and rolled out the best-in-class Morpheus Service Brand training.

**Melco core service standards:** a service training module emphasising a consistent approach to foundation service behaviours. This is delivered as part of the mandatory orientation program.

**“Forbes” standards training:** an extensive training module that increases colleague awareness of what it takes to meet Forbes Five-star standards.

**Mystery shoppers:** a process which measures our standards. Our colleagues are trained as mystery shoppers to ensure high standards are being delivered. A value-added benefit is that our colleagues become service champions through experiencing our high standards themselves.

**Technical skills training:** an essential foundation of practical skills and knowledge. It is especially important in the context of our hiring philosophy to “hire for attitude, potential, and image, and train on skills.”







CAREER OPPORTUNITIES

We believe that career direction and development opportunities are essential for attracting and retaining the best talent. The following examples illustrate our commitments in this area.

INTERNAL CAREER OPPORTUNITIES

Melco promotes career development through opportunities in-house. Our policy mandates that most vacancies be internally posted, and where qualifications are equal, priority should be given to the internal candidate. Our hiring philosophy is “Hire for attitude, potential, and image, and train on skills”. This approach facilitates cross-functional career paths because it relies more on transferrable traits than on prior experience of the job specifics.

We want to retain our talented and committed colleagues, so it’s important they feel that they can grow their careers without having to go to a competitor. In 2018, 40% of our vacancies were filled by Melco colleagues. Since our inception, the company has offered 26,250 internal promotions and transfers.

*“We would much rather lose colleagues to ourselves than to a competitor.” Internal Career Policy Approach*

THE LEARNING ACADEMY - THE FIRST IN-HOUSE ACADEMY IN MACAU

Melco’s Learning Academy embraces life-long learning. Since its inception in 2009, 5,325 courses have been offered across our properties in Macau and Hong Kong and more than 518,000 seats have been filled by Melco colleagues. It provides a curriculum across multi-functional tracks, including technical—gaming and non-gaming, sales and marketing, legal, service, language, finance, computer application, HR, leadership, and lifestyle.

FOUNDATION ACCELERATION PROGRAM

Melco’s Foundation Acceleration Program (FAP) is designed to enhance our colleagues’ understanding of business perspectives beyond their own jobs. It is a placement program which can involve short—or long-term assignments, or offer valuable insight into areas or skills outside current roles and experience.

Examples of FAP placements vary. Longer examples include dealer’s working in hotel operations for six months or a Hotel Front Office Manager spending a year rotating through a variety of cross-functional roles from Contact Centre, Reservations, Revenue Management, Food and Beverage, to Marketing and Public Relations. Examples of shorter placements include groups of human resources professionals spending one day each in the business units which they support, or specific assignments to stretch skills in areas such as public speaking.

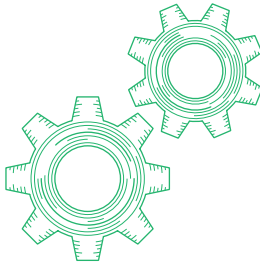
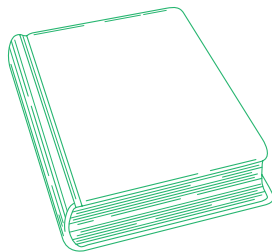


WORK ENVIRONMENT  
'VALUED & CARED FOR'

COMMUNICATING AND LISTENING TO  
OUR COLLEAGUES

We have implemented a variety of formal and informal mechanisms to ensure that our colleagues have many ways to give us feedback. These include :

- Colleague surveys;
- Frequent focus groups across various business functions and properties. In 2012-2018, 1,296 focus groups alone were organized for our Table Games Dealers, 92% of the suggestions were addressed;
- “Meet management” sessions where property presidents engage with approximately 50 colleagues at a time to share business updates and invite perspectives from the team;
- Leadership Forums;
- Performance appraisals;
- “Talk to Management” feature of our MelcoToday colleague mobile app; and
- Colleague communications channels (newsletters, mobile app, social media, etc.).



HARDSHIP  
ASSISTANCE

When our colleagues face extraordinary circumstances—such as medical problems or natural disasters, the company, our Chairman and CEO and colleagues come together to support one another and alleviate hardships through donations.

HOPE SCHOLARSHIP

Hope Scholarships are offered for those who are facing extraordinary circumstances which would otherwise prevent them from meeting the relevant academic criteria.

HEART-OF-HOUSE

As a provider of premium luxury service, our Chairman and CEO believes that if we care for our colleagues, they will take care of our guests. We invest in the design of our “Heart-of-House,” what is typically called “back of house.” We call it “Heart-of-House” as it is analogous to how the heart is essential to our bodies, our colleagues are vital to our success.



BEST OFFICE INTERIOR MACAU (2017) BY  
INTERNATIONAL PROPERTY AWARDS



COLLEAGUE CAMARADERIE

We host a wide range of activities for colleagues to connect with one another. Since 2009, we have held more than 1,200 employee activities, an average of 10 events per month. With the opening in 2018 of the Macau ESports Stadium, we also hosted a tournament for our colleagues.



QUALITY OF LIFE

We know that family and work-life balance is important to our colleagues. To foster this, Melco includes family in special events, and has implemented the following programs:

FAMILY EVENTS

- **Family days:** Events focused on families of colleagues.
- **“Heart-of-House” tours:** Tours of Heart-of-House that reassure families and friends that colleagues are working in an environment where they are valued and cared for.
- **Scholarships for family members:** Melco provides various scholarships to encourage the concept of life-long learning. These scholarships are provided for our colleagues and their immediate families.

*We survey tour participants to see how their attitudes to Melco change. We were encouraged to learn that before the tour: 59% rated Melco as a good/excellent employer but after the tour this figure had jumped to: 91%*

WORK LIFE BALANCE

We operate three schemes which emphasise and support work-life balance.

- **FlexCompress:** Depending on the colleague role and business needs, this flexible working scheme gives an opportunity for colleagues to work the same number of hours but have more days off per week.
- **Strawberry Life:** Through this scheme, Melco enables colleagues to work part-time, while staying dedicated to their primary commitment. They are eligible for full-time benefits on a prorated basis.
- **Lifestyle Programs:** We support personal development and lifestyle knowledge through programs offered by the Melco Learning Academy.

FOSTERING A DIVERSE WORKPLACE

Embracing diversity is one of Melco’s guiding principles. Melco’s workforce includes a multitude of nationalities, so it is essential we cultivate a tolerant and harmonious workplace. As an equal opportunity employer, Melco does not engage in discriminatory employment practices.

DIVERSITY IN BOARD OF DIRECTORS

WOMEN IN INFLUENTIAL ROLES

- We have seven women represented on the three boards overseeing Melco Resorts & Entertainment companies;
- 25% of our Corporate Executive Committee is female;
- 38% of Senior Leadership are female;
- Close to 40% of general management are women.



FRANCESCA GALANTE



DOMINIQUE MIELLE



STÉPHANIE CHEUNG



AKIKO TAKAHASHI



MARCELINA CRUZANA



LIBERTY SAMBUA



FRANCES YUYUCHENG



KEEPING OUR COLLEAGUES  
AND GUESTS SAFE

Ensuring the safety of our colleagues, guests and contractors by integrating health and safety considerations into all aspects of our business is a top priority at Melco.

Our safety culture is led by senior leadership, but all colleagues and contractors are expected to take responsibility for their own safety, the safety of those around them and to constantly promote a safe and healthy work environment.

We conduct frequent training and monitoring, covering applicable topics in accordance with our Occupational Safety and Health (“OSH”) Policy and the OHSAS 18001 Standard. There are OSH Committees at each of our operating properties and they meet once a month to discuss safety management issues. OSH Committee responsibilities include:

- Reviewing OSH performance trends and follow up on major OSH incidents and accidents
- Supporting OSH promotion and awareness activities, and assisting with the implementation of OSH education and training programs
- Coordinating OSH auditing and inspection activities

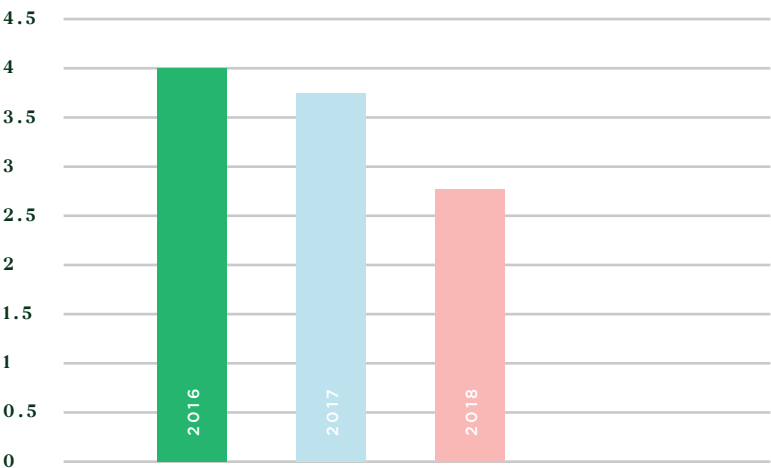
- Providing feedback to management on colleague OSH issues and concerns, and implement measures to reduce accidents

All new hires receive OSH induction training and existing staff receive OSH refresher training each year. Contractors are also required to go through an OSH orientation session.

Melco adopts a holistic approach to safety in all public areas of our integrated resorts. External risk engineers perform quarterly assessments of key public areas such as hotel rooms, entertainment attractions, all guest elevators, and main entrances/exits of the integrated resorts to ensure these areas satisfy international safety standards. We also maintain Emergency Response Teams at each property and collaborate with local emergency response teams on site-specific plans.

We focus on prevention and strive for continuous improvement on all health and safety indicators as measured by standard industry metrics and established goals. In 2018, our OSHA Lost-Time Injury Rate was 3.2, down from 3.7 in 2017 and 4.0 in 2016. We had no fatalities in 2018.

MELCO TOTAL RECORDABLE INCIDENT RATE  
(TRIR)



FOOD SAFETY

World-class dining is a central part of the guest experience we provide at our resorts—Melco restaurants in Macau now command an unprecedented ten Michelin stars —so excellence in healthy and safe food runs deep in our culture. Food quality and hygiene at all food outlets, for guests and for our colleagues, are regularly assessed and audited by Melco Food & Beverage department managers and our highly trained Food Safety team, as well as external advisors such as the HACCP certification body and the Food Safety Centre of the Macao SAR.

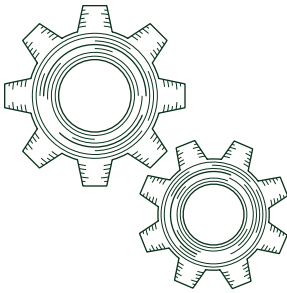
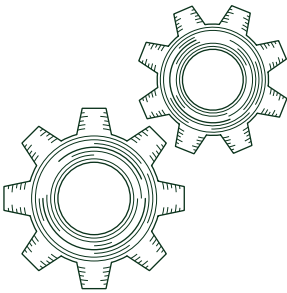
Because of these measures, we maintain a clean bill of health and safety across the board. 100% of our properties were assessed for food safety and we had no incidences of non-compliance resulting in a fine, penalty or warning in 2018.



CSR STEERING  
.....  
COMMITTEE

PROGRAMS MACAU  
..... ♦ .....  
PROGRAMS JAPAN  
..... ♦ .....  
PROGRAMS PHILIPPINES

AWARDS &  
.....  
RECOGNITION



VOLUNTEERISM

PHILANTHROPY

♦ **SOCIETY** ♦  
..... ♦ .....  
**COMMUNITY**

07

♦ DISASTER RESPONSE ♦





MANILA  
City Skyline

# SOCIETY & COMMUNITY

## 07

• “Creating opportunities for people to grow and communities to prosper is a huge motivation for Melco.”

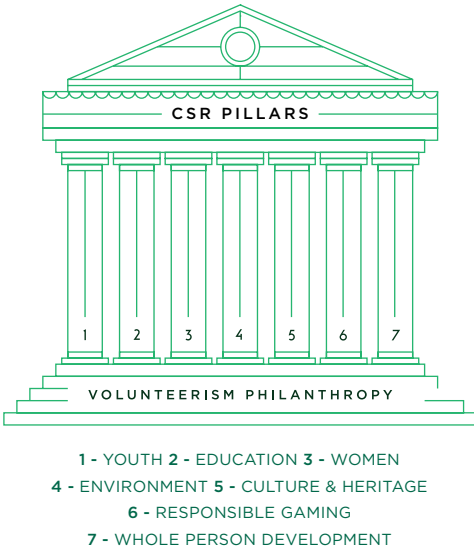
AKIKO TAKAHASHI, EXECUTIVE VICE PRESIDENT,  
CHIEF OFFICER HR/CSR

We endeavor to make our CSR programs sustainable by incorporating social and community issues in our business strategy. While volunteering and philanthropy are important elements of how we deliver, partnerships and collaborations drive our approach—with government, charities, educational institutes, and other community organizations.

Focused on the communities in which we operate, Melco creates unique and differentiated programs with emphasis customized to each community. Our CSR strategic pillars guide our focus. They are Youth, Education, Environment, Women, Responsible Gaming, Whole Person Development, and Culture & Heritage.

Our approach:

- Focus on the communities in which we operate, with emphasis customized to each community;
- Bring proactive solutions to recognized social issues;
- Partner and collaborate with local NGOs, charities, academia, government



departments, associations and other organizations;

- Develop unique and differentiated programs;
- Incorporate societal needs with business strategy, for a sustainable approach;
- Enhance economic prosperity of local suppliers and SMEs.

◆◆ AWARDS & RECOGNITION ◆◆

OVERALL CORPORATE  
SOCIAL RESPONSIBILITY

2018  
OUTSTANDING CSR -  
MIRROR POST HONG KONG

2013 - 2017  
CORPORATE GOVERNANCE ASIA -  
BEST CSR

2013  
MACAU BUSINESS AWARDS -  
CSR GOLD

VOLUNTEERISM

2018  
PHILIPPINES RED CROSS  
DONATION DRIVE - PLATINUM

2018  
CARIDADE SOCIAL MACAU -  
TYPHOON HATO

2016  
CARIDADE SOCIAL MACAU -  
CNY RICE DONATION

RESPONSIBLE  
GAMING (RG)

2019  
INTERNATIONAL GAMING AWARDS -  
SOCIALLY RESPONSIBLE OPERATOR  
OF THE YEAR  
(LAND-BASED)

2017  
MACAU BUSINESS AWARDS -  
CSR GOLD FOR RG



EDUCATION

2014  
CARIDADE SOCIAL MACAU -  
BACK TO SCHOOL

WOMEN

MACAU GOVERNMENT RECOGNITION  
OF LACTATION ROOM FACILITIES

ENVIRONMENT

2018  
GREEN KEY SUSTAINABILITY AWARD  
PHILIPPINES DEPT OF ENVIRONMENT  
NATURAL RESOURCES RECOGNITION

PHILIPPINES COAST GUARD  
AUXILIARY RECOGNITION

PHILIPPINES MUNICIPALITY OF  
TERNATE, PROVINCE OF CAVITE  
RECOGNITION - MANGROVE PLANTING

YOUTH

2015  
CARIDADE SOCIAL MACAU  
DARE TO DREAM

3RD PLACE MOST IMPROVED  
FACILITY IN PARANAQUE,  
PHILIPPINES SCHOOL  
SAN ANTONIO ELEMENTARY SCHOOL

◆◆◆◆

ABOVE & BEYOND

CSR STEERING COMMITTEE

The importance of CSR is evidenced by the active involvement of our Chairman and CEO in the CSR Steering Committee. It is also a regular agenda item for the Melco board of Directors. The CSR Steering Committee is comprised primarily of local colleagues, and meets monthly to review proposed initiatives of the various working committees, which meet more frequently for implementation.

The Committee engages with key stakeholders in the communities where we operate to ensure we are sensitive to their greatest needs. This engagement informs our unique focus in each community.

PHILANTHROPY

Melco supports local communities by investing in their well-being. Our contributions are outlined below:

CHARITABLE CONTRIBUTIONS  
(USD)

| 2008-2018<br>(CUMULATIVE) | 2018       |
|---------------------------|------------|
| 45,725,206                | 10,728,954 |

\* COMPRISED OF DONATIONS, SPONSORSHIPS,  
IN-KIND DONATIONS AND PHILIPPINES FOUNDATION

VOLUNTEERISM

Enabling volunteering is a cornerstone of our corporate social responsibility strategy. Melco is very proud of and inspired by our colleagues' dedication to giving back. We are equally dedicated to thanking our volunteers through various programs, including the annual Volunteer Recognition Event.

107,631 colleague participants in our CSR activities since 2007

LOCAL SMALL AND MEDIUM ENTERPRISES

Melco helps local suppliers and small and medium-sized enterprises to succeed. We partner with them to help them understand our standards through activities such as Vendor Experience Tours, our standards, Business Matching Sessions, ISO and other workshops. Through better understanding of our specific needs, they are able to be a better provider of products and services.

83% of all procurement from 2016 - 2018 was from local businesses and suppliers.



PROGRAMS -  
MACAU

Melco’s culture of innovation produces signature and bespoke programs.

DARE TO DREAM

Award-winning entertainment and hospitality are our differentiated offerings, and they afford us unrivaled access to world class artists. In partnership with leading educational institutions, we connect them to local young people for once-in-a-lifetime opportunities that they never dreamed possible. Thus “Dare to Dream” was born.

Internships at the maestro organization are provided to winners who are selected by the maestro and/or their team. Melco pays for scholarships, or internships and travel costs for the winning students.

We are proud of the world-renowned artists who have shared their expertise and given so much inspiration, and we thank our partners for their ongoing support.

- Yundi Li – international piano maestro. Partnership with the Cultural Affairs Bureau of the Macau Government;
- Franco Dragone – producer and creative director of the award-winning “The House of Dancing Water.” Partnership with Macao Polytechnic Institute;

2008-2018 Cumulative  
Contributions for Programs in  
Macau: \$19.7M

- Late Dame Zaha Hadid – legendary architect known as the “Queen of the Curve.” Partnership with the Tertiary Education Services Office of Macau Government;
- Barney Cheng – named one of the 25 most influential designers in fashion by Forbes. Partnership with Macau Productivity and Technology Transfer Centre (CPTTM); and
- Alain Ducasse and Pierre Hermé – world-renowned culinary masters. Partnership with the Institute for Tourism Studies.

The House of Dancing Water ‘backstage journey’ is a learning program that has involved nearly 600 students and professors from universities in Macau. In 2018, fashion design students from the Macau Productivity and Technology Transfer Centre came to learn about costume design and wardrobe operations—and like many others in the program, gained valuable insights and exposure to careers in entertainment productions. We plan to extend the positive social and environmental impact of this and other shows in the coming years.

WHOLE PERSON DEVELOPMENT

Development of local people is a top priority for Melco. We focus on Whole Person Development, a holistic approach which embraces a generalist career path beyond a technical or functional-only focus. The initiative sees embedded learning programs transcend traditional classroom training. This includes experiences that enhance personal growth and, fundamentally, create a stronger foundation for success in the future.

These Melco programs support development of local people for management roles. In 2008, 38% of managers in Macau came from the local community; today, that figure is over 80%.

Back to school

First launched by Melco in 2010, the in-house high school diploma program was conducted in partnership with the Luso-Chinese school Luis Gonzaga Gomes, and the Education and Youth Affairs Bureau (DSEJ). This program was developed to address the issue of people exiting education - particularly unwillingly—to pursue a job.

“Melco YOU-niversity” program

Melco partnered with Edinburgh Napier University to announce the development of the Melco YOU-niversity for local employees who were yet to achieve a university degree.

Splendors of China

The “Splendors of China” is a learning program about China’s cultural heritage, history, and its modernization. It helps our colleagues to better understand



and deliver our service promise to Mainland Chinese people, who account for the majority of Melco’s customers. Melco colleagues learn about China’s economy, China’s premium luxury market, Chinese history and “Xi Jinping Thought” on visits and learning programs taught by an eminent professor from the world-renowned Tsinghua University.

Breast cancer awareness

To increase awareness of breast health, Melco partners with the Organization for Oncology and Translational Research, the Worker’s Medical Clinic, and the Women’s General Association of Macau. These organisations provide free breast cancer screenings each year for colleagues and women from the community.

Lactation rooms

To support nursing mothers at work, Melco was the first gaming operator in Macau to provide fully equipped lactation rooms across all our global operations.

Teaching children values

We created the “Teaching Children Values” initiative to promote volunteering among children and to cultivate empathy for those less-privileged. Volunteer activities have included tree planting and monthly visits to the elderly through the “Show Your Kind Heart by Holding Hands” program, where children received guidance from NGOs on how to communicate with the elderly.

PROGRAMS - JAPAN

“着物XきものX KIMONO” PRESERVING THE LEGACY, CREATING THE FUTURE

Kimono embodies Japanese culture, traditions, and lifestyle. The popularity of the Kimono has been sadly waning in recent years, which in turn has threatened the livelihood of artisans involved in the traditional trade of making Kimonos. Given that the creation of fabrics for such garments is often an art passed down from one generation to the next, the entire existence of the Kimono trade is under threat. Its demise would be a major loss for Japanese culture.

WORLD-FIRST COLLECTION OF 13 MUSEUM-QUALITY KIMONOS

In collaboration with Kyoto prefecture and supported by Kyoto Cultural Association, Melco’s Kimono project gathered local artisans from around Japan to create a world first collection of 13 museum quality kimonos. These included the Japanese Living National Treasures and Imperial Family-appointed artisans. Commissioned in 2013, the kimonos were completed in a process that took four years and used weaving techniques unseen in over a century. These included the ‘Tabenoshi Bunyou Furisode’ by Chiso, a 460-year-old shop that uses kyoyuzen dyeing; and ‘Keicho Momoyama Furisode Matsukawa Bunyou’ by Fujii Kan, creators for the imperial household.

KIMONO ROBOTO

To honor the artisans and their spectacular works, the exhibit “Kimono Roboto” was launched in November 2017. The exhibit manifested the vision of “Preserving the legacy and creating the future.” The exhibition was also supported by contemporary music, and video from artists including the 15-time Grammy nominated Icelandic artist Bjork.

2011-2018 Cumulative Contributions for Programs in Japan: \$6.7M



DARE TO DREAM DESIGN AWARD - JAPAN

The purpose of the “Dare to Dream Design Award” was to encourage the use of kimono in designs. Melco partnered with Junko Koshino Inc., one of Japan’s most highly-acclaimed fashion designers, and the award program was launched during Tokyo Designers’ Week.

Nine internationally-renowned designers and artists comprised the panel of judges, including Yoshikazu Yamagata, Junko Koshino, Yasuhiro Mihara, Tamae Hirokawa, Masaya Kushino, Asami Kiyokawa, Toshiyuki Inoko, HDMI (Human Dwelled-In Monitor Inside), and Ross Lovegrove.

The finalists for “Dare to Dream” received an internship with JUNKO KOSHINO Inc. and were given a special booth in the industry renowned “Rooms30,” Japan’s largest fashion and design exhibition.



# PROGRAMS PHILIPPINES

## SOAP FOR HOPE

City of Dreams Manila is the first integrated resort to participate in the “Soap for Hope” program in the Philippines. This award-winning global program cooperates with hotels to eliminate soap waste by hygienically reprocessing used soap into new soap bars and donating them to various charitable institutions. In 2018, we reprocessed over 5,000 used soap bars into new bars.



## HEADFUL OF DREAMS

Manila colleagues volunteered their time to tutor students of San Antonio Elementary School. The school was recognized with 3rd place in The Most Improved Facility category for all schools in the Paranaque region.



CITY OF DREAMS MANILA RUNS A NUMBER OF OTHER CSR PROGRAMS TO ENGAGE THEIR LOCAL COMMUNITY INCLUDING BUILDING DREAMS, GROWING DREAMS AND MORE.





DISASTER  
RESPONSE

*We are committed to sharing our resources to help communities in the aftermath of natural disasters.*

TYPHOON HATO

Typhoon Hato in 2017 was the most devastating disaster to hit Macau in the last 50 years, resulting in the loss of human life and catastrophic damage to buildings and infrastructure. Within the first 24 hours following the disaster, Melco responded to support and restore the community. Close to 3,500 Melco volunteers joined government-led clean up efforts. The volunteers cleared debris from the streets and distributed 1,200 meal boxes and 10,000 bottles of water. Melco electricians and carpenters helped restore power to over 40 local businesses, allowing them to return to operation. Within three days, we announced a relief fund for both the community and colleagues of US\$3.75 million, including a personal donation from Melco’s CEO and Chairman. Over 1,900 colleagues received funds.

Melco was appreciated and recognized by the community for its efforts, with local online HR magazine recognizing Melco as a “Best Employer.”

Fortunately, Typhoon Mangkhut in September 2018 was less severe than the previous year’s typhoon. We dispatched a team of 230 colleagues from our property

and construction services team over two days, to help repair damaged infrastructure, ensure public safety and support beach clean-up efforts.

JAPAN TOHOKU EARTHQUAKE

In 2011, a magnitude-9 earthquake shook north-eastern Japan, causing widespread devastation, including the destruction of more than 120,000 buildings. Melco donated to the relief efforts. This included financing short morale-boosting trips for 300 disaster-affected young students to Okinawa and Osaka.

| DISASTER RELIEF SUPPORT  |         |
|--------------------------|---------|
| (IN USD)                 |         |
| JAPAN                    | \$1.68M |
| MACAU AND MAINLAND CHINA | \$5.15M |
| TOTAL                    | \$6.83M |

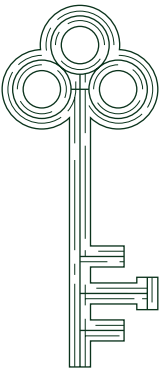
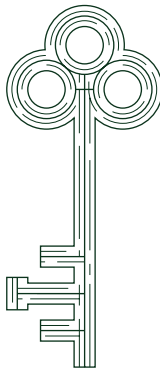




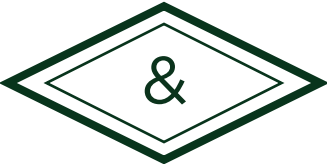
RISK  
.....  
MANAGEMENT

CORPORATE GOVERNANCE AND RISK MANAGEMENT  
.....  
SUSTAINABILITY AND CSR GOVERNANCE

WHAT  
.....  
MATTERS MOST



GOVERNANCE



ETHICS



ETHICS

STAKEHOLDER  
ENGAGEMENT



DATA PRIVACY & SECURITY  
.....  
STAFF TRAINING & AWARENESS



# GOVERNANCE & ETHICS



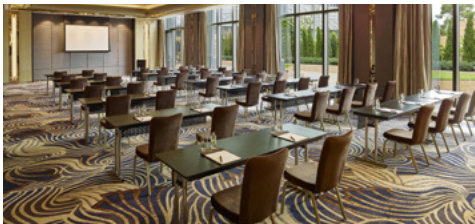
- “Our business success depends on building productive relationships based on honesty, integrity and mutual trust.”

RAYMOND HO, VICE PRESIDENT,  
CORPORATE & GOVERNANCE COUNSEL

Trust is at the heart of our business. It underpins our relationships with our customers, stakeholders, and regulators and is the foundation of our licence to operate. To build this trust, we are committed to the highest standards of governance and ethical conduct.

We strive to exceed requirements, whether from commercial practice or local laws. Our colleagues are central to this and we consistently engage them on the standards expected through training and Melco’s Code of Business Conduct & Ethics.

This desire to do better is shown in our Guiding Principles and Values and in our mission: “to shape the future of gaming and entertainment in Asia.”



## OUR GUIDING PRINCIPLES & VALUES

- We are a law-abiding corporate citizen.*
- We are innovative thinkers.*
- We have courage.*
- We embrace diversity.*
- We value our colleagues, customers, and community.*



FORBES FIVE STAR  
Nuwa - City of Dreams



CORPORATE GOVERNANCE AND RISK MANAGEMENT

Our board oversees all aspects of the company strategy and operations, including our sustainability and CSR programs. The board is responsible for our Sustainability & CSR strategy and reporting, and for evaluating and determining related risks and ensuring that appropriate controls are in place.

The board has seven members:

- One Executive Director
- Two Non-Executive Directors currently serving as directors
- Four Independent Non-Executive Directors, which lead and participate in board committees

The board is supported by three committees.

- Compensation Committee
- Audit and Risk Committee
- Nominations and Corporate Governance Committee

Diversity is important at all levels of our business. Through diversity we gain a greater understanding of our guests, and new insight into risks and opportunities. Promoting talented, capable people into roles where they can have greater impact is part of our culture, and this

is reflected in our commitment to be an equal opportunity employer. Women make up 25% of our Corporate Executive Committee and 38% of our Senior Leadership. We have seven women across our corporate and property boards.

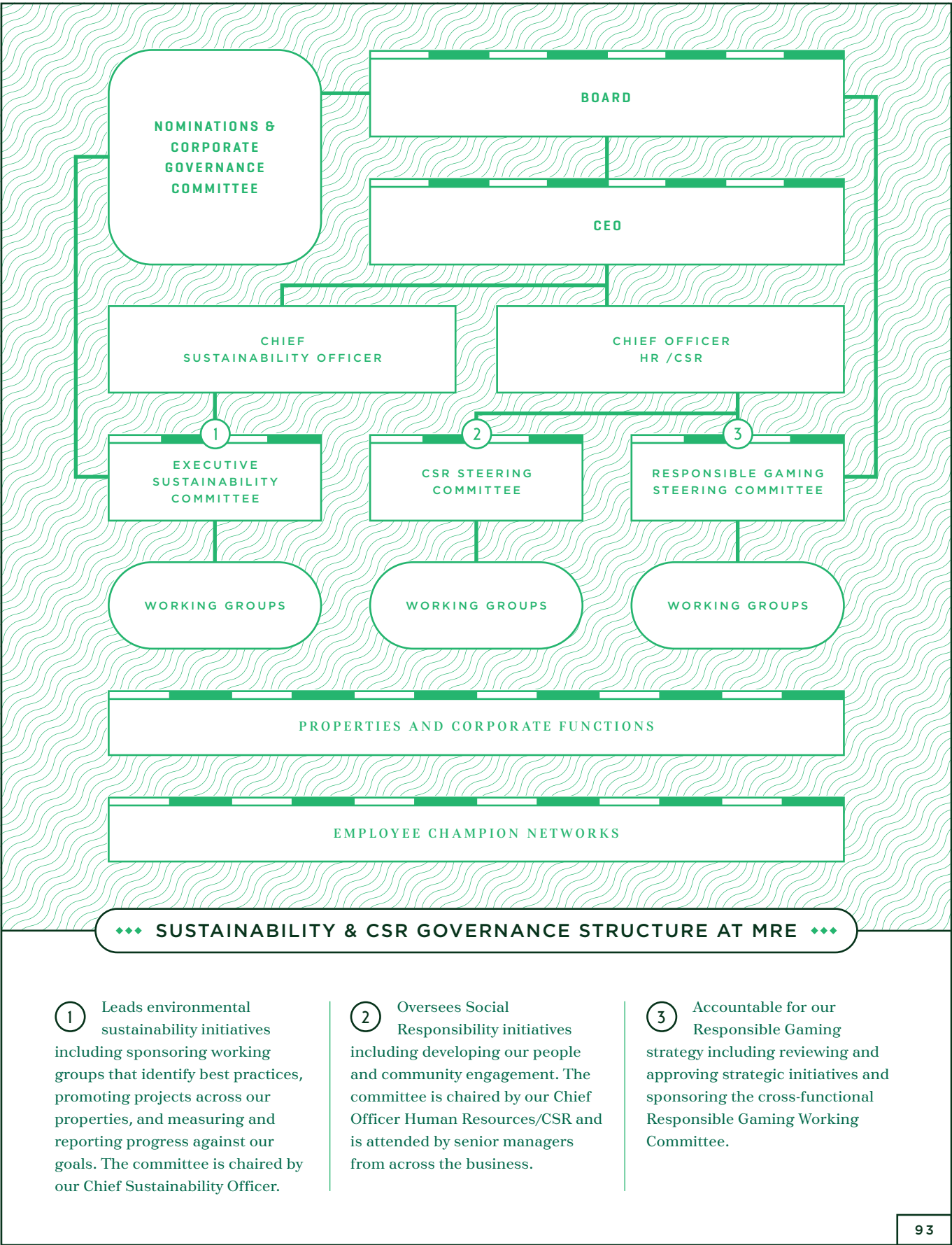
For more information on our corporate governance policies and practices including the election of directors, composition and charters of the board of Directors and board committees, financial accounting policies and tax strategy, see [our website](#).

SUSTAINABILITY AND CSR GOVERNANCE

Our Sustainability & CSR programs are led by three complementary Steering Committees. The committees are responsible for assessing stakeholder concerns, establishing internal governance, ensuring funding and resources, and setting policies, priorities, and goals.

The CSR and Responsible Gaming Steering Committees report quarterly to the board. The Executive Sustainability Committee reports to the Nominations and Corporate Governance Committee, which is authorized by the board to have overall oversight over our sustainability programs. The programs are then resourced, implemented and monitored across the organization by our properties and corporate functions.

Process is important, but we also need our colleagues and their enthusiasm. A network of staff champions makes the projects happen and promotes awareness with their colleagues. This network also shares ideas so we continue to improve.



RISK MANAGEMENT

Risk is inherent in our business. Our Enterprise Risk Management (ERM) framework manages all risks which may impact our strategic and operational objectives, including sustainability. It is aligned to ISO31000:2018 to provide a systematic approach to identify, analyse, evaluate, and treat risks. Our ERM process is overseen by the board through the Audit and Risk Committee and led operationally by our Chief Risk Officer (CRO).

We need our colleagues to be involved to make our ERM approach work. Risk management is part of our day-to-day processes, with colleagues at all levels from different business functions and properties actively involved in risk identification and management. Our CRO regularly discusses current and emerging risks, and their potential impacts and mitigation measures, with Executive Management, and presents formally to the Audit and Risk Committee on a quarterly basis.

*For more information on risks relating to our business and operations see our Annual Report (US Form 20-F).*



THE MORPHEUS HOTEL  
by Zaha Hadid



WHAT MATTERS MOST

To do better, we need to focus on what matters most. To understand where our Sustainability & CSR impacts lie, we developed a new framework in 2018 to help us consistently identify and assess material topics across the business. By repeating this review regularly, we will continue to manage the Sustainability & CSR issues that matter most to us.

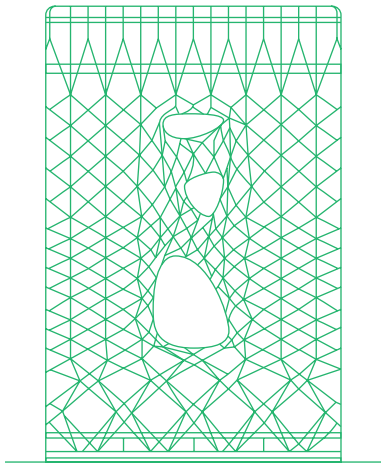
From staff and investors, to communities, academia, government and non-governmental organizations, we speak to internal and external stakeholders about a wide range of Sustainability & CSR topics through our day-to-day operations. We listen and work hard to be responsive to their needs and concerns.

To provide the broad range of perspectives we needed for our 2018 materiality assessment, we interviewed senior managers and experts across the business who engage with various external and internal stakeholders. We also reviewed sustainability data and researched industry trends, standards and best practices, investor concerns, and evolving scientific knowledge. The outcome of the assessment highlights our priority Sustainability & CSR impact areas.

We are continuously striving to improve. Each key impact presents both risks and opportunities. Colleagues have taken responsibility for each of these risks and opportunities and have developed measures to mitigate the risks and maximize the opportunities. We will

build these measures into business plans, goals, and targets so we can monitor and report on our progress. These risks are not just Sustainability & CSR risks, but business risks. So, they are considered by the CRO and are included in Melco’s overall risk register and priorities, which are periodically reported to the Audit and Risk Committee.

To understand our broader impact, we have begun mapping our top priorities against the UN Sustainable Development Goals. This will help us see where it makes sense to further focus our efforts for maximum impact. This mapping is included in the GRI Content Index and we will be further developing this assessment in 2019.



| PRIORITY SUSTAINABILITY & CSR TOPIC AREAS<br>BY SCOPE AND BOUNDARY |  | TOPIC BOUNDARY             |                             |
|--|--|----------------------------|-----------------------------|
|  |  | IMPACTS OCCUR INSIDE MELCO | IMPACTS OCCUR OUTSIDE MELCO |
| PRIORITY TOPIC AREA  | SCOPE OF TOPIC   |                            |                             |
| ETHICS AND INTEGRITY   | <ul style="list-style-type: none"><li>CORPORATE AND SUSTAINABILITY &amp; CSR GOVERNANCE</li><li>CODE OF CONDUCT OUTLINING EXPECTED BEHAVIOURS, PRACTICES &amp; TRAINING, INCLUDES ANTI CORRUPTION<ul style="list-style-type: none"><li>DATA SECURITY &amp; CUSTOMER PRIVACY</li><li>REGULATORY COMPLIANCE</li></ul></li><li>RISK MANAGEMENT AND EMERGING ISSUES TRACKING</li></ul> | ✓                          | ✓                           |
| COMMUNITY ENGAGEMENT & INVESTMENT                                  | <ul style="list-style-type: none"><li>COMMUNITY ENGAGEMENT &amp; INVESTMENT PROGRAMS<ul style="list-style-type: none"><li>PHILANTHROPY &amp; VOLUNTEERISM</li><li>CULTURE &amp; HERITAGE</li><li>DISASTER RESPONSE</li></ul></li></ul>   | ✓                          | ✓                           |
| DIVERSITY & INCLUSION  | <ul style="list-style-type: none"><li>DIVERSE WORKFORCE &amp; LEADERSHIP TEAM</li></ul>  | ✓                          |                             |
| ENERGY & CLIMATE CHANGE  | <ul style="list-style-type: none"><li>GHG EMISSIONS REDUCTION</li><li>ENERGY CONSUMPTION - RENEWABLE &amp; NON-RENEWABLE</li></ul>   | ✓                          | ✓                           |
| MATERIALS USE & WASTE  | <ul style="list-style-type: none"><li>MATERIALS USE EFFICIENCY</li><li>SUSTAINABLE SOURCING</li><li>NON-HAZARDOUS SOLID WASTE</li><li>FOOD WASTE / PLASTIC WASTE</li></ul>   | ✓                          | ✓                           |
| RESPONSIBLE GAMING   | <ul style="list-style-type: none"><li>TECHNOLOGY &amp; PROCESS</li><li>COMMUNITY ENGAGEMENT</li><li>EMPLOYEE EDUCATION</li></ul>   | ✓                          | ✓                           |
| SAFETY   | <ul style="list-style-type: none"><li>GUEST HEALTH &amp; WELLBEING</li><li>COLLEAGUE HEALTH, SAFETY &amp; WELLNESS</li></ul>   | ✓                          |                             |
| SUSTAINABLE ECONOMIC GROWTH  | <ul style="list-style-type: none"><li>INCREASING SHAREHOLDER VALUE WHILE MAXIMIZING OTHER STAKEHOLDER BENEFITS</li></ul>   | ✓                          | ✓                           |
| TALENT ATTRACTION & RETENTION                                      | <ul style="list-style-type: none"><li>COMPETITION FOR TALENT<ul style="list-style-type: none"><li>LOCAL HIRING</li></ul></li><li>COLLEAGUE TRAINING &amp; DEVELOPMENT<ul style="list-style-type: none"><li>WORK LIFE BALANCE</li></ul></li><li>INDIRECT ECONOMIC IMPACT</li></ul>  | ✓                          |                             |
| WATER USE  | <ul style="list-style-type: none"><li>WATER RECYCLING &amp; REUSE</li><li>WASTEWATER EFFLUENTS</li><li>REDUCING/REUSING / RECYCLING WATER</li><li>WASTEWATER COMPLIES WITH REGULATORY LIMITS</li></ul>   | ✓                          |                             |

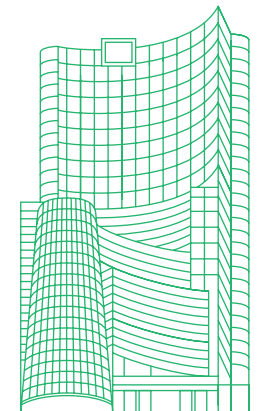


STAKEHOLDER ENGAGEMENT

Our business affects lots of people. We care about what matters to our stakeholders. Their opinions play a vital role in defining our sustainability priorities. How we respond to their concerns builds trust in our business. Our stakeholders' concerns are wide ranging. Some stakeholders, such as investors and governments, are interested in a variety of sustainability topics. Others, such as local communities and business partners, may only be interested in a single issue.

We connect with stakeholders regularly to discuss matters that interest them, using a variety of methods including guest satisfaction surveys, surveys and focus groups to ensure we are actively listening to the needs of our colleagues, ongoing engagement with local regulators and NGOs to identify and address the greatest needs in the communities where we operate, close collaboration with academic institutions and regulators on responsible gaming topics, and more.

MELCO PRIDES ITSELF IN IMPROVING CUSTOMER EXPERIENCES AND VISITATION BY LEVERAGING STAKEHOLDER FEEDBACK ACROSS MANY CHANNELS.



*We collect feedback through focus groups, face-to-face surveys, various online platforms, and regularly through our employees. Melco Resorts attained a record-breaking 85 stars at 2019 Forbes Travel Guide and Forbes 5-Star and Michelin experiences, which is attributed to knowing our guests needs and desires, and constantly exceeding their expectations.*





ETHICS

Our business success, and licence to operate, depend on building productive relationships based on honesty, integrity and mutual trust. We work with colleagues to meet the highest standards of ethical conduct and comply with local, national and international laws.

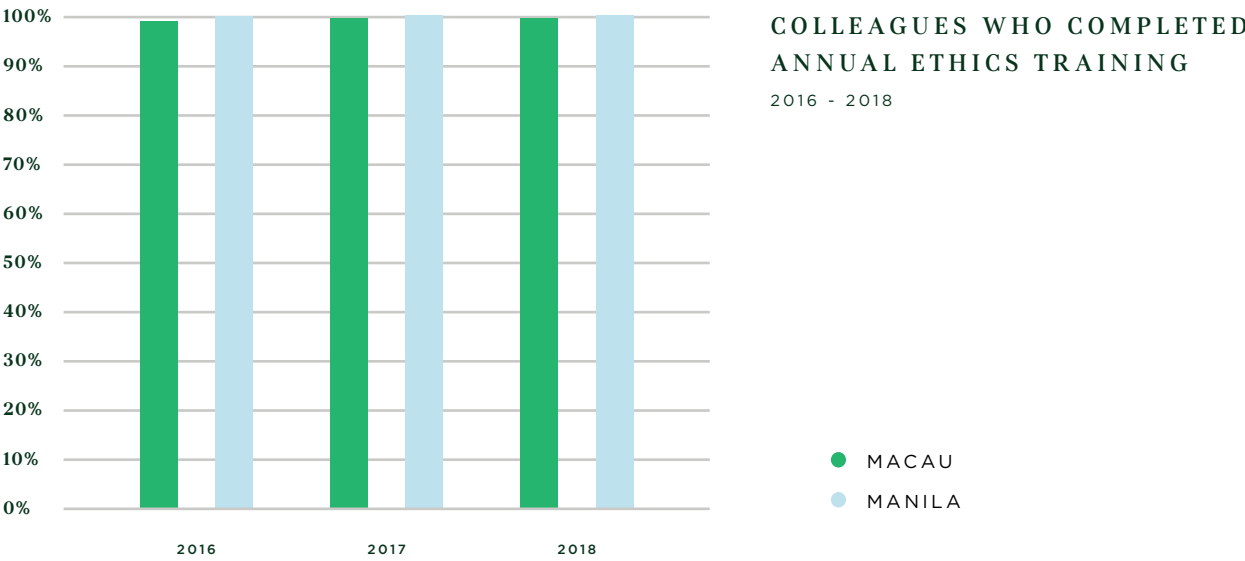
Our Code of Business Conduct and Ethics (the Code) outlines how we expect all our people at all our sites and subsidiaries to behave, whether they are directors, officers, colleagues, agents or subcontractors. It outlines our policies on:

- Employment practices, including non-discrimination, no harassment, and non-retaliation
- Fair competition
- Conflicts of interest
- Bribery and corruption, including policies on gifts and entertainment
- Confidential and proprietary information
- Money laundering and fraud
- Creation of a harmonious workplace environment and corporate culture
- Prohibition against any discriminatory employment practice and sexual harassment

Our Ethical Business Practices Program (the Program) sets the requirements for compliance with local anti-corruption laws.

The Nominating and Corporate Governance Committee has responsibility for reviewing and amending our key corporate governance policies including the Code, and for ensuring its ongoing effectiveness supported by internal audits and the Chief Risk Officer.

While the Code and Program are company-wide, local legislation varies. We provide guidance to help colleagues interpret the Code for their location. The Ethical Business Liaison Officers at all our main operating locations are responsible for understanding local laws and answering staff enquiries on the Program. This includes, for example, providing guidance on giving and receiving gifts, corporate entertainment, as well as interacting with government officials and other partners. Ethical Business Liaison Officers work with the Ethical Business Legal Adviser to monitor compliance, evaluate risk areas and implement preventive measures.



We run three initiatives to help our colleagues understand their responsibilities, the Code and the Program:

- New-starter corporate governance briefing and annual certification: ensure all our employees understand our requirements from the very start they must complete corporate governance orientation within 30 days of starting. To reinforce the requirements throughout their career with Melco, all colleagues are sent the Code and notified of the changes to the other corporate policies each year. They must acknowledge they received the Code and sign a Certificate of Compliance to indicate they understands and agree to the content
- Do The Right Thing (DTRT) training: provides a refresher for management and employees in key business functions that carry a higher or potential risk of bribery and corruption, such as procurement and contract approvals. DTRT training covers the legal reasons behind the Program, red-flags and role-specific actions individuals can take to reduce risks, for example including contract clauses that allow us to audit the activities of higher-risk counterparties and the related contracts.

- Annual certification under the Program: requires our key personnel such as senior executives and directors to confirm and acknowledge their understanding of the Program and their reporting obligations under the Program.

To make it easier, we make this information and training available in multiple formats, such as through our Learning Academy platform and in face to face training sessions.

In 2018, more than 2,800 colleagues were required to complete DTRT training given their roles and responsibilities. 98% of them completed the training. The remaining colleagues are expected to complete the training soon. We also communicate with local government and partners regarding our ethics and particularly our anti-corruption policies and procedures.

*In 2018, 98% of required employees completed ‘Do the Right Thing’ Training.*



SHARING CONCERNS

We want our colleagues to speak up if they see or suspect a violation of the code. We understand this can be difficult. We protect our colleagues so they can raise concerns without fear of retaliation. Colleagues can raise concerns in a variety of ways, which are available on our intranet and are displayed at our properties:

- We provide an anonymous whistle-blowing hotline which is managed by an independent third party and monitored by the Human Resources team and selected independent management members from Internal Audit and Legal.
- We encourage colleagues to raise concerns with their manager, human resources, or the Ethical Business Legal Adviser.

DATA PRIVACY & SECURITY

Customers, colleagues, suppliers and partners all trust us with their personal data. In return, we are committed to the highest standards of data security and privacy.

Melco’s high standards apply to all parts of our business, including data security. Our global information security management system (ISMS) meets the requirements of ISO 27001, with our Macau operations holding this certification since 2009. This is supported by our Cybersecurity and Data and Information Security policies. Our “layered” security approach means we have controls at each layer with regular risk assessments and audits to check processes and protocols. To ensure our systems follow best practice, we engage external experts to provide guidance when needed.

To protect data privacy, we meet or exceed the requirements of the data privacy regulations in the jurisdictions in which we operate, including the Macau Personal Data Protection Act.

Data Protection Officers in all our main locations work to implement our data privacy policies and ISMS along with any additional local requirements.

We had no data breaches of significance nor did we receive any substantiated complaints in 2018.

STAFF TRAINING & AWARENESS

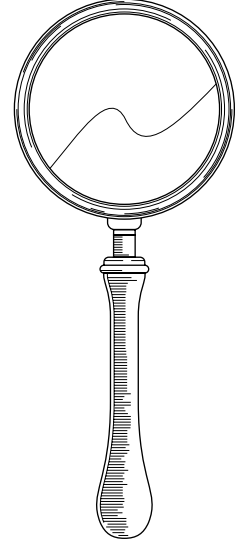
Our colleagues have an important role in information security and data protection. Information security is included in the Code and our corporate governance policy, and we have issued guidelines to colleagues on data protection at Melco and in their region. This is an ongoing process and in 2019 we will release further guidance on personal data retention.

Colleagues can be a target for hackers. We provide training on cybersecurity when colleagues start to help them identify hacking emails. We continually run phishing campaigns to improve awareness and identify if additional training is needed.

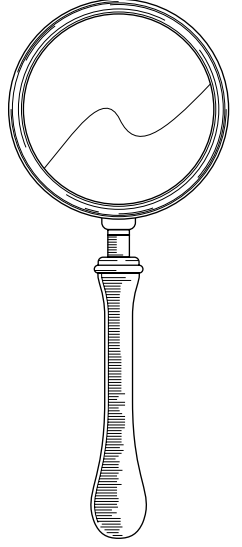
WORKING WITH PARTNERS

Security risks do not end with our systems but extend to partner and supplier systems and processes. Cybersecurity requirements are included in relevant partner and supplier selection processes followed by on-going testing. We highlight any issues to vendors if they do not meet our high standards and require all IT providers comply with the ISO 27001 standard. We also work with others to share information on threats and hacker tactics.





• O U R O P E R A T I O N S •



# ABOUT MELCO



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I M P A C T

# ABOUT MELCO



◆ ABOVE & BEYOND

Melco Resorts & Entertainment Limited (“Melco”) is a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia. We are headquartered in Hong Kong, China and listed on the NASDAQ as “MLCO”. Our largest shareholder, Melco International Development Limited, is listed on the Main board of The Stock Exchange of Hong Kong Limited and is substantially owned and led by Mr. Lawrence Ho, our Chairman, and CEO.

We currently have three major casino-based operations in Macau (City of Dreams, Altira Macau and Studio City), and non-casino based operations in Macau at our Mocha Clubs. We also have a casino-based operation in the Philippines, City of Dreams Manila.

We offer luxury, world class fun and unforgettable experiences to our visitors and guests. But we strive to go further. Whether it is setting a new benchmark for luxury in Macau with Morpheus, the recently completed phase of City of Dreams, holding the most Michelin stars of any integrated resort operator in the world, or introducing pioneering entertainment in ‘The House of Dancing Water,’ a truly unique show that has become one of Macau’s entertainment landmarks and changed the game for Asia’s leisure and entertainment industry.

Through our dedication to providing world class luxury, innovative products and services, and partnerships with globally renowned brands—we combine them to deliver the best entertainment experience to customers across Asia.

More information on our operations can be found in our annual report.

*We own and operate three Forbes 5-Star hotels in Macau – Altira Macau, Nüwa and Studio City’s Star Tower – and received 11 Forbes 5-Star and four Forbes 4-Star ratings across our properties in 2018*

*We won the “Gaming Operator of the Year, Australia & Asia” award at the 2018 International Gaming Awards.*




◆◆ OUR OPERATIONS ◆◆

| MACAU   |   |   |   | MANILA  |
|---|---|---|---|---|
| CITY OF DREAMS  | STUDIO CITY   | ALTIRA MACAU  | MOCHA CLUBS   | CITY OF DREAMS  |
|   |   |   |   |   |
| ACTUAL GFA <sup>3</sup><br><b>6.8 million</b><br>(SQ. FT) | ACTUAL GFA <sup>3</sup><br><b>5.1 million</b><br>(SQ. FT) | ACTUAL GFA <sup>3</sup><br><b>1.1 million</b><br>(SQ. FT) | ACTUAL GFA <sup>3</sup><br><b>131 700</b><br>(SQ. FT) | ACTUAL GFA <sup>3</sup><br><b>1.5 million</b><br>(SQ. FT) |
| <b>2170</b><br>GUEST ROOMS<br>SUITES<br>& VILLAS          | <b>1600</b><br>GUEST ROOMS<br>SUITES<br>& VILLAS          | <b>230</b><br>GUEST ROOMS<br>SUITES<br>& VILLAS           | N/A   | <b>950</b><br>GUEST ROOMS<br>SUITES<br>& VILLAS           |
|   |   |   |   |   |
| <b>476</b><br>GAMING TABLES                               | <b>292</b><br>GAMING TABLES                               | <b>104</b><br>GAMING TABLES                               | <b>1336</b><br>GAMING MACHINES                        | <b>300</b><br>GAMING TABLES                               |
| <b>724</b><br>GAMING MACHINES                             | <b>957</b><br>GAMING MACHINES <sup>1</sup>                | <b>129</b><br>GAMING MACHINES                             |   | <b>1929</b><br>GAMING MACHINES <sup>2</sup>               |







<sup>1</sup>INCLUDING MOCHA CLUB AT ALTIRA  
<sup>2</sup>INCLUDING 129 GAMING MACHINES AT ALTIRA  
<sup>3</sup>GROSS FLOOR AREA (GFA) IS THE TOTAL FLOOR AREA INSIDE THE BUILDING ENVELOPE, INCLUDING THE EXTERNAL WALLS AND BALCONIES.



OUR WORKFORCE

| 2018 WORKFORCE  |                  |  |  |
|---|------------------|--|--|
|  | 21,413 EMPLOYEES |  |  |
|  | MEN : 52%        |  |  |
|  | WOMEN : 48%      |  |  |

|  | 2018   | 2017   | 2016   |
|--|--------|--------|--------|
| CORPORATE AND CENTRALIZED SERVICES (INCLUDING HK, MACAU & JAPAN)                           | 676    | 636    | 712    |
|  FEMALE | 294    | 285    | 313    |
|  MALE   | 382    | 351    | 399    |
| MACAU PROPERTIES (INCLUDING COD, STUDIO CITY, ALTIRA AND MOCHA CLUBS)                      | 15,099 | 14,079 | 15,171 |
|  FEMALE | 7,352  | 6,873  | 7,345  |
|  MALE   | 7,747  | 7,206  | 7,826  |
| MANILA PROPERTY  | 5,638  | 4,894  | 4,365  |
|  FEMALE | 2,552  | 2,332  | 1,996  |
|  MALE   | 3,086  | 2,562  | 2,369  |
| TOTAL  | 21,413 | 19,609 | 20,248 |

OUR ECONOMIC IMPACT

| ECONOMIC VALUE GENERATED & DISTRIBUTED<br>(IN THOUSANDS OF US\$) |             |             |              |
|--|-------------|-------------|--------------|
| (2016-2018) - FOR THE YEARS ENDED 31 DECEMBER                    |             |             |              |
|  | 2016        | 2017        | 2018         |
| TOTAL REVENUES   | \$4,519,396 | \$5,284,823 | \$5,158,509  |
| TOTAL OPERATING COSTS & EXPENSES                                 | \$4,156,280 | \$4,677,211 | \$4,531,673  |
| OPERATING INCOME   | \$363,116   | \$607,612   | \$626,836    |
| CASH AND CASH EQUIVALENTS  | \$1,702,310 | \$1,408,211 | \$1,436,558  |
| DIVIDENDS PAID PER SHARE   | \$0.2408    | \$0.5604    | \$0.1867     |
| TOTAL EMPLOYEES  | 20,248      | 19,609      | 21,413       |
| COMMUNITY INVESTMENTS (CHARITABLE GIVING)                        | -           | -           | \$11,117,858 |

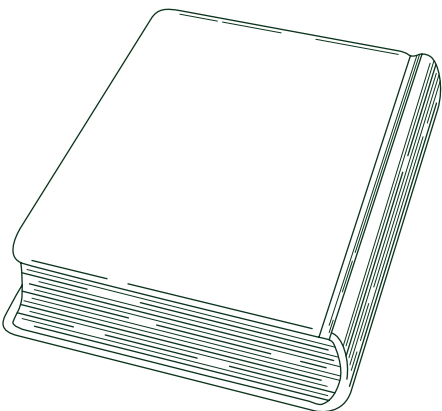
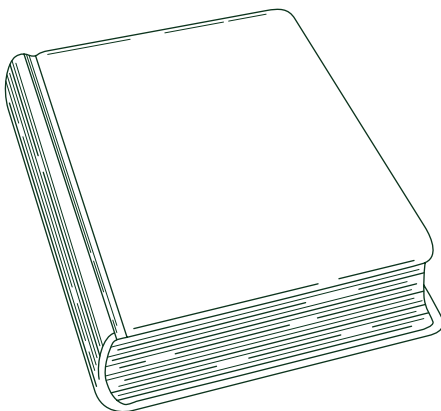
You can learn more about our ownership, organizational structure and financial performance on our [Investor Relations webpages](#).







S U S T A I N A B L E   D E V E L O P M E N T  
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..... G O A L S .....



# GRI CONTENT

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10  
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♦ INDEX ♦

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# GRI CONTENT INDEX

## 10

◆ ABOVE & BEYOND

This content index covers the Global Reporting Initiative’s Sustainability Reporting Standards and Disclosures found in Melco’s Sustainability & CSR Report, 2018 Annual Report and company website. This report has been prepared in accordance with the GRI Standards: Core Option.

### SUSTAINABLE DEVELOPMENT GOALS

To understand our broader impact, we have also mapped our top priorities against the UN Sustainable Development Goals (UNSDG) and targets. The Sustainable Development Goals are a globally recognized framework for advancing sustainability in the public and private sectors. Many different stakeholders, including countries, communities, businesses and organizations support the goals to tackle global challenges in economic, environmental, and social dimensions.



The following four goals represent the clearest and strongest connections to our most established Sustainability & CSR initiatives and targets, and where we have an opportunity to make significant contributions. We plan to do a more detailed assessment in 2019 to further assess other goals where there is potential for stronger alignment and collaboration with key stakeholders to create positive impact.

| UNSDG/ FOCUS AREA   | ALIGNMENT WITH UNSDG TARGETS  | RELEVANT MELCO TARGETS AND PROGRESS   | MELCO PROGRAMS AND INITIATIVES   |
|---|---|---|--|
| <b>WASTE MANAGEMENT</b><br><br><b>SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> | <ul style="list-style-type: none"><li>• REDUCE GLOBAL FOOD WASTE</li><li>• ACHIEVE ENVIRONMENTALLY SOUND MANAGEMENT OF CHEMICALS</li><li>• REDUCE WASTE GENERATION THROUGH PREVENTION, REDUCTION, RECYCLING AND REUSE</li></ul>   | <ul style="list-style-type: none"><li>• ZERO WASTE RESORTS BY 2030</li><li>• SIGNATORY TO NEW PLASTICS ECONOMY GLOBAL COMMITMENT</li></ul>  | <ul style="list-style-type: none"><li>• PLASTICS ELIMINATION, INCLUDING COLLEAGUE TRAINING</li><li>• ONSITE WATER DISPENSERS TO REDUCE PLASTIC BOTTLES</li><li>• ECOBINS AND HOUSEKEEPING STAFF TRAINING</li><li>• COMPOSTING AND FOOD AUDITS</li><li>• SOAP FOR HOPE PROGRAM</li><li>• LIKHAYA SOCIAL ENTREPRENEURSHIP PROGRAM</li><li>• REUSE OF PLAYING CARDS IN MANILA</li></ul>   |
| <b>ENERGY</b><br><br><b>SDG 7 AFFORDABLE AND CLEAN ENERGY</b>                       | <ul style="list-style-type: none"><li>• BY 2030, INCREASE SUBSTANTIALLY THE SHARE OF RENEWABLE ENERGY IN THE GLOBAL ENERGY MIX</li><li>• BY 2030, DOUBLE THE GLOBAL RATE OF IMPROVEMENT IN ENERGY EFFICIENCY</li><li>• PROMOTE INVESTMENT IN CLEAN ENERGY INFRASTRUCTURE</li></ul>  | <ul style="list-style-type: none"><li>• ALL RESORTS CARBON NEUTRAL BY 2030</li><li>• 100% OF THE ELECTRICITY ACROSS OUR OPERATIONS PRODUCED FROM OR MATCHED AGAINST GENERATION FROM RENEWABLE SOURCES FROM 2018-2030</li></ul>  | <ul style="list-style-type: none"><li>• ENERGY-EFFICIENT LED LIGHTING AND PHOTO-SENSORS IN OUTDOOR LIGHTING</li><li>• BUILDING MANAGEMENT SYSTEMS THAT OPTIMIZE EFFICIENCY</li><li>• SOLAR PHOTOVOLTAIC PANELS AT CITY OF DREAMS MACAU AND STUDIO CITY WITH CAPACITY TO GENERATE NEARLY 7.7 MILLION KWH OF ENERGY PER YEAR</li><li>• BETWEEN 2016 AND 2018 REDUCED ENERGY CONSUMPTION IN OUR EXISTING OPERATIONS BY AN AVERAGE OF 10% ACROSS OUR RESORTS</li><li>• SOURCED 100% OF OUR ELECTRICITY FROM RENEWABLES IN 2018, VIA PURCHASE OF I-RECS AND OTHER RENEWABLE ENERGY INSTRUMENTS, HELPING TO REDUCE OUR ABSOLUTE MARKET-BASED EMISSIONS BY 95% SINCE 2016</li></ul> |
| <b>EDUCATION</b><br><br><b>SDG 4 QUALITY EDUCATION</b>                              | <ul style="list-style-type: none"><li>• ACCESS FOR ALL WOMEN AND MEN TO AFFORDABLE AND QUALITY TECHNICAL, VOCATIONAL AND TERTIARY EDUCATION, INCLUDING UNIVERSITY</li><li>• INCREASE THE NUMBER OF YOUTH AND ADULTS WHO HAVE RELEVANT SKILLS FOR EMPLOYMENT AND DECENT JOBS</li><li>• ENSURE THAT ALL LEARNERS ACQUIRE THE KNOWLEDGE AND SKILLS NEEDED TO PROMOTE SUSTAINABLE DEVELOPMENT</li></ul> | <ul style="list-style-type: none"><li>• 5,325 COURSES OFFERED IN LEARNING ACADEMY AND 518,000 SEATS FILLED</li><li>• FIRST 15 GRADUATES FROM MELCO YOU-NIVERSITY IN 2018</li><li>• 88 COLLEAGUES AND FAMILIES HAVE RECEIVED MELCO SCHOLARSHIPS, INCLUDING HOPE SCHOLARSHIP, FOR UNDERGRADUATE EDUCATION</li></ul> | <ul style="list-style-type: none"><li>• THE LEARNING ACADEMY</li><li>• BACK TO SCHOOL</li><li>• MELCO YOU-NIVERSITY</li><li>• TEACHING CHILDREN VALUES</li><li>• HANDFUL OF DREAMS</li><li>• HOPE SCHOLARSHIP AND SCHOLARSHIPS FOR FAMILY</li><li>• EDUCATIONAL TRAINING AROUND SUSTAINABILITY</li></ul>   |



|  |   |  |  |
|--|---|--|--|
| <b>EMPLOYEE SUPPORT AND CAREER DEVELOPMENT</b><br><br><b>SDG 8 DECENT WORK AND ECONOMIC GROWTH</b> | <ul style="list-style-type: none"><li>• PROMOTE DEVELOPMENT-ORIENTED POLICIES THAT SUPPORT PRODUCTIVE ACTIVITIES, DECENT JOB CREATION, ENTREPRENEURSHIP, CREATIVITY AND INNOVATION</li><li>• PROTECT LABOUR RIGHTS AND PROMOTE SAFE AND SECURE WORKING ENVIRONMENTS FOR ALL WORKERS</li><li>• DEVISE AND IMPLEMENT POLICIES TO PROMOTE SUSTAINABLE TOURISM THAT CREATES JOBS AND PROMOTES LOCAL CULTURE</li></ul> | <ul style="list-style-type: none"><li>• COMMITMENT TO LOCAL HIRING - IN 2008, 38% OF MANAGERS IN MACAU CAME FROM LOCAL COMMUNITIES; IN 2018, THAT FIGURE IS OVER 80%</li><li>• COMMITMENT TO INTERNAL CAREER PROMOTION - IN 2018, 40% OF VACANCIES WERE FILLED BY MELCO COLLEAGUES</li></ul> | <ul style="list-style-type: none"><li>• WHOLE PERSON DEVELOPMENT PROGRAM</li><li>• FOUNDATION ACCELERATION PROGRAM</li><li>• THE LEARNING ACADEMY</li><li>• HEART-OF-HOUSE: LEADING IN EXCELLENCE FOR EMPLOYEE WORKSPACES</li><li>• WORK-LIFE BALANCE PROGRAMS</li></ul> |
|--|---|--|--|





| GRI Disclosure Number   | GRI Disclosure Title   | Location & Notes   | Additional References |
|-------------------------|--|--|-----------------------|
| GRI General Disclosures |  |  |                       |
| Organizational Profile  |  |  |                       |
| GRI 102-1               | Name of the Organization                                     | MELCO RESORTS AND ENTERTAINMENT. (NASDAQ: MLCO)  |                       |
| GRI 102-2               | Activities, Brands, Products, and Services                   | <u>ABOUT MELCO</u>   |                       |
| GRI 102-3               | Location of Headquarters                                     | THE CENTRIUM, 60 WYNDHAM STREET, CENTRAL, HONG KONG SAR  |                       |
| GRI 102-4               | Location of Operations                                       | <u>ABOUT MELCO: OUR OPERATIONS</u>   |                       |
| GRI 102-5               | Ownership and Legal Form                                     | SEE OUR ANNUAL REPORT: PART 1, ITEM 6  |                       |
| GRI 102-6               | Markets Served   | SEE OUR ANNUAL REPORT: PART 1, ITEM 4  |                       |
| GRI 102-7               | Scale of the Organization                                    | <u>ABOUT MELCO: OUR OPERATIONS</u><br>AS OF DEC 31, 2018, MELCO HAD 21,413 EMPLOYEE ACROSS ASIA AND WE REPORTED \$5.2 BILLION IN TOTAL REVENUE.  |                       |
| GRI 102-8               | Information on Employees and Other Workers                   | <u>ABOUT MELCO: OUR OPERATIONS</u><br><u>ABOUT MELCO: OUR WORKFORCE</u>  |                       |
| GRI 102-9               | Supply Chain   | <u>ABOUT MELCO: ECONOMIC IMPACT</u><br><u>ENVIRONMENT: SUSTAINABLE SOURCING</u>  |                       |
| GRI 102-10              | Significant Changes to the Organization and its Supply Chain | IN 2018, MELCO MADE NO SIGNIFICANT CHANGES TO THE ORGANIZATION'S SIZE, STRUCTURE, OWNERSHIP AND SUPPLY CHAIN.  |                       |
| GRI 102-11              | Precautionary Principle or Approach                          | OUR PRECAUTIONARY APPROACH IS REFLECTED IN OUR ENTERPRISE RISK MANAGEMENT APPROACH.<br><u>GOVERNANCE &amp; ETHICS: RISK MANAGEMENT</u>   |                       |
| GRI 102-12              | External Initiatives   | MELCO ENDORSES THE FOLLOWING VOLUNTARY ENVIRONMENTAL AND SOCIAL CHARTERS/ STANDARDS/ SETS OF GUIDING PRINCIPLES:<br><br>• BETTER COTTON INITIATIVE (BCI) COTTON<br><br>• FOUNDATION FOR ENVIRONMENTAL EDUCATION (FEE)<br><br>• GREEN KEY<br><br>• GREEN HOTEL AWARDS ORGANIZED BY MACAU ENVIRONMENTAL PROTECTION BUREAU<br><br>• GRI SUSTAINABILITY REPORTING STANDARDS<br><br>• HAZARD ANALYSIS CRITICAL CONTROL POINTS (HACCP) FOOD SAFETY CERTIFICATE PROGRAM<br><br>• ISO14001 ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)<br><br>• STANDARD 100 BY OEKO-TEX® CERTIFICATION<br><br>• WASTEWI\$E LABEL SCHEME<br><br>• NEW PLASTICS ECONOMY GLOBAL COMMITMENT |                       |
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| GRI 102-13             | MEMBERSHIP OF ASSOCIATIONS                            | MELCO BELONGS TO SEVERAL INDUSTRY ASSOCIATIONS TO ADVANCE VARIOUS POLICY OBJECTIVES THAT FALL UNDER THE SUSTAINABILITY & CSR UMBRELLA. EXAMPLES INCLUDE THE MACAU CORPORATE GOVERNANCE ASSOCIATION, THE MACAU GAMING MANAGEMENT ASSOCIATION, MACAU GAMING OPERATORS ASSOCIATION AND THE SAFETY ORGANIZATION OF THE PHILIPPINES (SOPI), OF WHICH WE ARE MEMBERS. |   |
| STRATEGY               |   |   |   |
| GRI 102-14             | STATEMENT FROM SENIOR DECISION-MAKER                  | MESSAGE FROM OUR CEO  |   |
| ETHICS & INTEGRITY     |   |   |   |
| GRI 102-16             | VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOUR | <u>GOVERNANCE &amp; ETHICS: ETHICS</u><br>OUR <u>CODE OF BUSINESS CONDUCT</u> AND ETHICS OUTLINES HOW WE EXPECT ALL OUR PEOPLE AT ALL OUR SITES AND SUBSIDIARIES TO BEHAVE, WHETHER THEY ARE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SUBCONTRACTORS.  | Learn more about our Corporate Governance policies and practices, and our board of Directors and committees here: <u>Investor Relations</u> and <u>Corporate Governance</u> .                         |
| GRI 102-17             | MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS       | <u>GOVERNANCE &amp; ETHICS: ETHICS</u><br>OUR <u>CODE OF BUSINESS CONDUCT</u> AND ETHICS OUTLINES THE INTERNAL AND EXTERNAL MECHANISMS FOR EMPLOYEES TO SEEK ADVICE ABOUT ETHICAL AND LAWFUL BEHAVIOR, AND ORGANIZATIONAL INTEGRITY, AND TO REPORT CONCERNS ABOUT UNETHICAL OR UNLAWFUL BEHAVIOR, AND ORGANIZATIONAL INTEGRITY.                                 |   |
| GOVERNANCE             |   |   |   |
| GRI 102-18             | GOVERNANCE STRUCTURE                                  | <u>GOVERNANCE &amp; ETHICS: CORPORATE GOVERNANCE &amp; RISK MANAGEMENT</u>  | <u>Annual Report</u><br>Learn more about our Corporate Governance policies and practices, and our board of Directors and committees here: <u>Investor Relations</u> and <u>Corporate Governance</u> . |
| STAKEHOLDER ENGAGEMENT |   |   |   |
| GRI 102-40             | LIST OF STAKEHOLDER GROUPS                            | OUR KEY STAKEHOLDER GROUPS INCLUDE BUT ARE NOT LIMITED TO: CURRENT AND FORMER MELCO EMPLOYEES AND CONTRACTORS; GUESTS; SUPPLIERS AND VENDORS; SOCIETIES AND COMMUNITIES IN WHICH WE OPERATE; GOVERNMENTS AND REGULATORY AGENCIES; AND INVESTORS.  |   |
| GRI 102-41             | COLLECTIVE BARGAINING AGREEMENTS                      | OTHER THAN THE RANK-AND-FILE EMPLOYEES OF THE TABLE GAMES DIVISION OF CITY OF DREAMS MANILA, NONE OF OUR EMPLOYEES ARE MEMBERS OF ANY LABOUR UNION AND WE ARE NOT PARTY TO ANY COLLECTIVE BARGAINING OR SIMILAR AGREEMENT WITH OUR EMPLOYEES.   |   |
| GRI 102-42             | IDENTIFYING AND SELECTING STAKEHOLDERS                | <u>GOVERNANCE &amp; ETHICS: STAKEHOLDER ENGAGEMENT</u>  |   |
| GRI 102-43             | APPROACH TO STAKEHOLDER ENGAGEMENT                    | <u>GOVERNANCE &amp; ETHICS: STAKEHOLDER ENGAGEMENT</u><br><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u><br><u>PEOPLE: WORK ENVIRONMENT – VALUED AND CARED FOR</u>   |   |
|                        |   |   | 119   |



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| GRI 102-44         | KEY TOPICS AND CONCERNS RAISED                             | MELCO STAKEHOLDERS HAVE RAISED SEVERAL KEY ISSUES THAT INCLUDE BUT ARE NOT LIMITED TO: LOCAL HIRING, RESPONSIBLE GAMING, WORKER RIGHTS, ETHICS AND COMPLIANCE, WASTE/ WATER/ENERGY USE, CLIMATE CHANGE, AND DIVERSITY/INCLUSION.  |  |
| REPORTING PRACTICE |  |   |  |
| GRI 102-45         | ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS | MELCO'S SUSTAINABILITY & CSR REPORT COVERS TOPICS FOR ALL ENTITIES INCLUDED IN OUR FINANCIAL STATEMENTS.  |  |
| GRI 102-46         | DEFINING REPORT CONTENT AND TOPIC BOUNDARIES               | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b><br>IN SUPPORT OF THE 2018 MATERIALITY ASSESSMENT, WE INTERVIEWED SENIOR MANAGERS AND EXPERTS ACROSS THE BUSINESS THAT ARE RESPONSIBLE FOR ENGAGING WITH VARIOUS EXTERNAL AND INTERNAL STAKEHOLDERS, WE ALSO REVIEWED ESG DATA AND CONDUCTED DESK-BASED RESEARCH OF INDUSTRY TRENDS, STANDARDS AND BEST PRACTICES, INVESTOR CONCERNS AND EVOLVING SCIENTIFIC KNOWLEDGE. THIS WORK HELPED US DEVELOP A SHORTLIST OF TEN ESG TOPICS WHICH WE ASSESSED FOR SIGNIFICANCE OF ESG IMPACTS, AND BUSINESS AND STAKEHOLDER CONCERN. THE KEY ESG IMPACTS WE IDENTIFIED HAVE INFORMED THE SCOPE OF THIS REPORT AND HELPED US SET CORPORATE GOALS AND APPROPRIATELY ALLOCATE RESOURCES. |  |
| GRI 102-47         | LIST OF MATERIAL TOPICS                                    | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b><br>MELCO'S PRIORITY ESG TOPICS INCLUDE:<br>-COMMUNITY ENGAGEMENT & INVESTMENT<br>-DIVERSITY & INCLUSION<br>-ENERGY & CLIMATE CHANGE<br>-ETHICS & INTEGRITY (WHICH INCLUDES ETHICS, ANTI CORRUPTION AND DATA SECURITY & CUSTOMER PRIVACY)<br>-MATERIALS USE & WASTE<br>-RESPONSIBLE GAMING<br>-SAFETY (WHICH INCLUDES GUEST HEALTH & WELLBEING AND EMPLOYEE HEALTHY & SAFETY)<br>-SUSTAINABLE ECONOMIC GROWTH<br>-TALENT ATTRACTION & RETENTION (WHICH INCLUDES EMPLOYEE TRAINING & DEVELOPMENT)<br>-WATER USE  |  |
| GRI 102-48         | RESTATEMENTS OF INFORMATION                                | SINCE THIS IS OUR FIRST SUSTAINABILITY & CSR REPORT, THIS IS OUR FIRST DISCLOSURE OF BASELINE ESG DATA AND INFORMATION.   |  |
| GRI 102-49         | CHANGES IN REPORTING                                       | NOT APPLICABLE SINCE THIS IS OUR FIRST SUSTAINABILITY & CSR REPORT.   |  |
| GRI 102-50         | REPORTING PERIOD   | THE HIGHLIGHTS AND METRICS SHARED IN THIS REPORT COVER CALENDAR YEAR 2018, AND WE PROVIDE MULTI-YEAR TREND DATA WHERE FEASIBLE.   |  |
| GRI 102-51         | DATE OF MOST RECENT REPORT W                               | THIS IS OUR FIRST SUSTAINABILITY & CSR REPORT.  |  |
| GRI 102-52         | REPORTING CYCLE  | MELCO PLANS TO ISSUE ANNUAL SUSTAINABILITY & CSR UPDATES.   |  |
| GRI 102-53         | CONTACT POINT FOR QUESTIONS REGARDING THE REPORT           | MELCO'S CONTACT POINT FOR QUESTIONS REGARDING THE REPORT IS <b><u>SUSTAINABILITY@MELCO-RESORTS.COM</u></b>  |  |
| GRI 102-54         | CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS   | WE SELF-DECLARE THAT THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS: CORE OPTION.   |  |
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|---|--|---|---------------|
| GRI 102-55                                  | GRI CONTENT INDEX  | THIS GRI CONTENT INDEX TABLE.   |               |
| GRI 102-56                                  | EXTERNAL ASSURANCE   | NO EXTERNAL ASSURANCE WAS SOUGHT FOR THIS REPORT BUT OUR SCOPE 1 AND 2 GHG EMISSIONS WERE VALIDATED BY A 3RD PARTY.   |               |
| SPECIFIC STANDARD DISCLOSURES - ECONOMIC    |  |   |               |
| TOPIC : ECONOMIC PERFORMANCE                |  |   |               |
| GRI 103-1 to 103-3                          | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                       | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b>  | SEC Form 10-K |
| GRI 201-1                                   | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED                          | <b><u>ABOUT MELCO: OUR ECONOMIC IMPACT</u></b><br><b><u>SOCIETY &amp; COMMUNITY: PHILANTHROPY</u></b>   | SEC Form 10-K |
| TOPIC: INDIRECT ECONOMIC IMPACTS            |  |   |               |
| GRI 103-1 to 103-3                          | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                       | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b>  | SEC Form 10-K |
| GRI 203-2                                   | SIGNIFICANT INDIRECT ECONOMIC IMPACTS                                    | <b><u>ABOUT MELCO: OUR ECONOMIC IMPACT</u></b>  | SEC Form 10-K |
| TOPIC: ANTI-CORRUPTION                      |  |   |               |
| GRI 103-1 to 103-3                          | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                       | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b><br><b><u>GOVERNANCE &amp; ETHICS: CORPORATE GOVERNANCE &amp; RISK MANAGEMENT</u></b><br><b><u>GOVERNANCE &amp; ETHICS: ETHICS</u></b>  |               |
| GRI 205-2                                   | COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES | <b><u>GOVERNANCE &amp; ETHICS: ETHICS</u></b><br>MELCO ENABLES AND REQUIRES ALL EMPLOYEES TO RECEIVE TRAINING REGARDING ETHICS AND ANTI-CORRUPTION PRACTICES ON AN ANNUAL BASIS. IN 2018, 98% OF REQUIRED EMPLOYEES COMPLETED 'DO THE RIGHT THING' TRAINING.  |               |
| GRI 205-3                                   | CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN                      | IF ALLEGATIONS OF CORRUPTION ARE BROUGHT TO OUR ATTENTION, WE WORK TO INVESTIGATE AND RESOLVE THEM APPROPRIATELY AND DISCLOSE MATERIAL, SUBSTANTIATED INCIDENTS AS APPROPRIATE.   |               |
| SPECIFIC STANDARD DISCLOSURES - ENVIRONMENT |  |   |               |
| TOPIC: MATERIALS                            |  |   |               |
| GRI 103-1 to 103-3                          | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                       | <b><u>ENVIRONMENT: ACHIEVING ZERO WASTE RESORTS AND CONTRIBUTING TO CIRCULAR ECONOMY LEADERSHIP IN ASIA</u></b><br><b><u>ENVIRONMENT: TAKING ACTION ON PLASTIC WASTE</u></b>  | SEC Form 10-K |
| GRI 301-2                                   | RECYCLED INPUT MATERIALS USED  | <b><u>ENVIRONMENT: ACHIEVING ZERO WASTE RESORTS AND CONTRIBUTING TO CIRCULAR ECONOMY LEADERSHIP IN ASIA</u></b><br>WE CURRENTLY ADDRESS SUSTAINABLE MATERIALS BY REDUCING SINGLE-USE PLASTICS USED IN THE DELIVERY OF OUR SERVICES OR BY EXTENDING THE LIFE OF MATERIALS THROUGH RECYCLING AND REUSE AND WILL LOOK TO ASSESS THE AMOUNT OF RECYCLED INPUT USE IN THE NEAR FUTURE. | SEC Form 10-K |
|   |  |   | 121           |

| TOPIC: ENERGY          |  |   |  |         |      |      |      |                        |         |         |         |
|------------------------|--|---|--|---------|------|------|------|------------------------|---------|---------|---------|
| GRI 103-1 to 103-3     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY | <u>ENVIRONMENT</u><br><b>ENVIRONMENT: CARBON NEUTRAL RESORTS</b><br><b>ENVIRONMENT: REDUCING OUR ENERGY CONSUMPTION</b>   |   |         |      |      |      |                        |         |         |         |
| GRI 302-1              | ENERGY CONSUMPTION WITHIN THE ORGANIZATION         | <b>ENVIRONMENT: HOW WE ARE DOING</b>  |  |         |      |      |      |                        |         |         |         |
| GRI 302-3              | ENERGY INTENSITY                                   | <b>ENVIRONMENT: HOW WE ARE DOING</b>  |  |         |      |      |      |                        |         |         |         |
| TOPIC: WATER           |  |   |  |         |      |      |      |                        |         |         |         |
| GRI 103-1 to 103-3     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY | <b>ENVIRONMENT: WATER</b>   |   |         |      |      |      |                        |         |         |         |
| GRI 303-1              | WATER WITHDRAWAL BY SOURCE                         | <b>ENVIRONMENT: WATER</b>   |  |         |      |      |      |                        |         |         |         |
| GRI 303-3              | WATER RECYCLED AND REUSED                          | <b>ENVIRONMENT: WATER</b><br>RECYCLED AMOUNTS ARE ESTIMATED FOR THE WATER THAT RUNS THROUGH THE FILTRATION SYSTEM FOR THE HOUSE OF DANCING WATER FEATURE; RECYCLED AMOUNTS FROM THE GREYWATER SYSTEMS ARE NOT AVAILABLE.  |  |         |      |      |      |                        |         |         |         |
| TOPIC: EMISSIONS       |  |   |  |         |      |      |      |                        |         |         |         |
| GRI 103-1 to 103-3     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY | <b>ENVIRONMENT: CARBON NEUTRAL RESORTS</b>  |  |         |      |      |      |                        |         |         |         |
| GRI 305-1              | DIRECT (SCOPE 1) GHG EMISSIONS                     | <b>ENVIRONMENT: HOW WE ARE DOING</b>  |  |         |      |      |      |                        |         |         |         |
| GRI 305-2              | ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS            | <b>ENVIRONMENT: HOW WE ARE DOING</b><br>MELCO USES SUBREGION GRID («UTILITY») EMISSION FACTORS FOR SCOPE 2 MARKET-BASED CALCULATIONS, AND USES IEA GRID EMISSION FACTORS FOR SCOPE 2 LOCATION-BASED CALCULATIONS.<br><br><b>SCOPE 2 LOCATION-BASED EMISSIONS ARE AS FOLLOWS:</b> <table><tr><td></td><td>2016</td><td>2017</td><td>2018</td></tr><tr><td>SCOPE 2 LOCATION-BASED</td><td>276,400</td><td>267,539</td><td>281,698</td></tr></table> |  |         | 2016 | 2017 | 2018 | SCOPE 2 LOCATION-BASED | 276,400 | 267,539 | 281,698 |
|                        | 2016   | 2017  |  | 2018    |      |      |      |                        |         |         |         |
| SCOPE 2 LOCATION-BASED | 276,400  | 267,539   |  | 281,698 |      |      |      |                        |         |         |         |
| GRI 305-4              | GHG EMISSIONS INTENSITY                            | <b>ENVIRONMENT: HOW WE ARE DOING</b>  |  |         |      |      |      |                        |         |         |         |
|                        |  |   |  |         |      |      |      |                        |         |         |         |

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| TOPIC: EFFLUENTS & WASTE               |   |  |  |
|--|---|--|--|
| GRI 103-1 to 103-3                     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY  | <b>ENVIRONMENT: ACHIEVING ZERO WASTE RESORTS AND CONTRIBUTING TO CIRCULAR ECONOMY LEADERSHIP IN ASIA</b><br><b>ENVIRONMENT: TAKING ACTION ON PLASTIC WASTE</b><br><b>ENVIRONMENT: TAKING ACTION ON FOOD WASTE</b>  |  |
| GRI 306-2                              | WASTE BY TYPE AND DISPOSAL METHOD   | <b>ENVIRONMENT: OUR WASTE FOOTPRINT</b><br>BECAUSE MELCO GENERATES AN IMMATERIAL AMOUNT OF HAZARDOUS WASTE, ONLY NON-HAZARDOUS WASTE TOTALS ARE REFLECTED IN THE CHARTS.   |  |
| SPECIFIC STANDARD DISCLOSURES - SOCIAL |   |  |  |
| TOPIC: EMPLOYMENT                      |   |  |  |
| GRI 103-1 to 103-3                     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY  | <b>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST PEOPLE</b>   |  |
| GRI 401-1                              | NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER  | <b>ABOUT MELCO: OUR OPERATIONS</b><br>NEW HIRES BY REGION IN 2018: <ul style="list-style-type: none"><li>• <b>MACAU</b> - 2,243 TOTAL (1,211 MALES, AND 1,032 FEMALES)</li><li>• <b>MANILA</b> - 1,125 TOTAL (652 MALES, 473 FEMALES)</li></ul><br>WE ARE PLEASED TO SEE OUR TURNOVER RATE COMING DOWN EACH YEAR FOR THE PAST 3 YEARS.<br><br>TURNOVER BY REGION: <ul style="list-style-type: none"><li>• <b>MACAU</b><ul style="list-style-type: none"><li>• 2016 - 12.8%</li><li>• 2017 - 12.4%</li><li>• 2018 - 10.9%</li></ul></li><li>• <b>MANILA</b><ul style="list-style-type: none"><li>• 2016 - 18.9%</li><li>• 2017 - 11.7%</li><li>• 2018 - 10.9%</li></ul></li></ul> |  |
| TOPIC: OCCUPATIONAL HEALTH AND SAFETY  |   |  |  |
| GRI 103-1 to 103-3                     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY  | <b>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST PEOPLE: KEEPING OUR COLLEAGUES AND GUESTS SAFE</b>   |  |
| GRI 403-2                              | TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES | <b>PEOPLE: KEEPING OUR COLLEAGUES AND GUESTS SAFE</b><br>NOTE THAT WE DO NOT REPORT ON OUR TOTAL INCIDENT RATE BY GENDER AS WE DO NOT MANAGE TO THIS METRIC. OUR H&S POLICIES, PROGRAMS, AND TRAINING ARE TARGETED AT ALL COLLEAGUES.  |  |
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| TOPIC: TRAINING AND EDUCATION          |  |   |   |
|--|--|---|---|
| GRI 103-1 to 103-3                     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                                       | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b><br><b><u>PEOPLE: CAREER OPPORTUNITIES</u></b>  |    |
| GRI 404-2                              | PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS                | <b><u>PEOPLE: CAREER OPPORTUNITIES</u></b><br>NOTE THAT WE REPORT ON THE TYPE AND SCOPE OF PROGRAMS MELCO PROVIDES TO HELP EMPLOYEES UPGRADE THEIR SKILLS. WE DO NOT CURRENTLY OFFER ANY PROGRAMS TO FACILITATE CONTINUED EMPLOYABILITY OF EMPLOYEES WHO LEAVE EITHER THROUGH RETIREMENT OR TERMINATION.  |   |
| TOPIC: DIVERSITY AND EQUAL OPPORTUNITY |  |   |   |
| GRI 103-1 to 103-3                     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                                       | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b><br><b><u>PEOPLE: FOSTERING A DIVERSE WORKPLACE</u></b><br><b><u>GOVERNANCE &amp; ETHICS: CORPORATE GOVERNANCE AND RISK MANAGEMENT</u></b>  |   |
| GRI 405-1                              | DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES   | <b><u>PEOPLE: FOSTERING A DIVERSE WORKPLACE</u></b><br><b><u>GOVERNANCE &amp; ETHICS: CORPORATE GOVERNANCE AND RISK MANAGEMENT</u></b><br><b><u>ABOUT MELCO: OUR OPERATIONS</u></b><br>NOTE THAT MELCO REPORTS ON PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES FROM A GENDER PERSPECTIVE, AND ON OUR TOTAL GLOBAL WORKFORCE BY GENDER. |   |
| TOPIC: LOCAL COMMUNITIES               |  |   |   |
| GRI 103-1 to 103-3                     | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY                                       | <b><u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u></b><br><b><u>SOCIETY &amp; COMMUNITY</u></b>   |  |
| GRI 413-1                              | OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS | <b><u>SOCIETY &amp; COMMUNITY</u></b><br>ALL OF OUR OPERATIONS HAVE COMMUNITY ENGAGEMENT AND INVESTMENT PROGRAMS IN PLACE.  |   |

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| TOPIC: CUSTOMER HEALTH & SAFETY |   |  |   |
|---------------------------------|---|--|---|
| GRI 103-1 to 103-3              | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY  | <u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u><br><u>PEOPLE: KEEPING OUR COLLEAGUES AND GUESTS SAFE</u>           |    |
| GRI 416-1                       | ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES                 | <u>KEEPING OUR COLLEAGUES AND GUESTS SAFE</u>  |   |
| GRI 416-2                       | INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES | NO INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES WERE IDENTIFIED DURING THIS REPORTING PERIOD. |   |
| TOPIC: CUSTOMER PRIVACY         |   |  |   |
| GRI 103-1 to 103-3              | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY  | <u>GOVERNANCE &amp; ETHICS: WHAT MATTERS MOST</u><br><u>GOVERNANCE &amp; ETHICS: DATA PRIVACY AND SECURITY</u>       |    |
| GRI 418-1                       | SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA  | WE HAD NO DATA BREACHES OF SIGNIFICANCE, NOR DID WE RECEIVE ANY SUBSTANTIATED COMPLAINTS IN 2018.                    |   |
| TOPIC: SOCIOECONOMIC COMPLIANCE |   |  |   |
| GRI 103-1 to 103-3              | EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY  | <u>GOVERNANCE &amp; ETHICS: ETHICS</u><br><u>CODE OF BUSINESS CONDUCT</u>  |  |
| GRI 419-1                       | NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA                      | NO SIGNIFICANT FINES OR NON-MONETARY SANCTIONS FOR NON-COMPLIANCE OCCURRED DURING THIS REPORTING PERIOD              |   |

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